

## BIOGRAPHICAL SUMMARY

*"Is there a divine providence that shapes our ways, rough hew them how we will? Although not a frequent churchgoer, I am a religious man. I heard Bishop Desmond Tutu say that God doesn't make miracles. He empowers us to see an opportunity or a coincidence and understand how we can make a difference. I have spent many sleepless nights, tossing over in my mind various possibilities for change or improvement in the circumstances that confronted me at the time."*

Robert Richards Midkiff was born on September 24, 1920, in Honolulu, Hawai'i. His father, Frank Elbert Midkiff, was president of Kamehameha Schools and a trustee of the Bernice Pauahi Bishop Estate. His mother, Ruth Richards Midkiff, great-granddaughter of missionaries Amos Starr Cooke and Juliette Montague Cooke, supported many community causes.

Midkiff, member of Punahou School's class of 1938, received his BA with high honors from Yale University in 1942 and was elected to Phi Beta Kappa. In 1962, he completed the Harvard Graduate School of Business Advanced Management Program.

During World War II, Midkiff served as an officer on the staff of General Douglas MacArthur, Supreme Commander of the Allied Forces in the Pacific.

In 1946, Midkiff was employed by Hawaiian Trust Co., Ltd. where he served as vice president from 1957 to 1964. Between 1964 and 1968 he was vice president of Amfac, Inc. Later, he served as president of American Security Bank.

Prior to retirement in 1993, Robert Midkiff was president and chief executive officer of American Financial Services of Hawai'i, parent company of American Trust Co. of Hawai'i, Inc. (which he founded in 1971) and Bishop Trust Company, Ltd. (which was acquired in 1984).

Having pioneered the use of profit sharing plans, he is known as the "Father of Profit Sharing in Hawai'i." He served as a director of the Profit Sharing Council of America and chaired the Profit Sharing Research Foundation.

Midkiff is president of the Atherton Family Foundation. He has been actively associated with it for over fifty years. He has been an officer and director of the Hawai'i Community Foundation, an organization he helped establish in 1987. He was the first person from Hawai'i selected to serve on the National Council on Foundations.

He has chaired the Aloha United Way and Robert E. Black Fund. He has also been a trustee of the Kokokahi Community Trust and treasurer of the Moanalua Gardens Foundation. He serves as president of the Good Beginnings Alliance, a non-profit organization he helped to establish to create a coordinated early childhood education and care system for Hawai'i.

He has been involved in community development. He helped found the Downtown Improvement Association, the Waikiki Improvement Association, the Lahaina Restoration Foundation, and the Friends of 'Iolani Palace. He was also involved in the restoration of the Hawai'i Theatre, planning of the Honolulu Civic Center, the selection of the Hawai'i State Capitol architect, and the building of the Financial Plaza of the Pacific.

Midkiff and his wife, Evanita Sumner Midkiff, reside in Honolulu. Their family includes five children and six grandchildren.

Tape No. 33-1-1-99

ORAL HISTORY INTERVIEW

with

Robert Richards Midkiff (RM)

Honolulu, O'ahu

November 23, 1999

BY: Michi Kodama-Nishimoto (MK) and Warren Nishimoto (WN)

WN: This is an interview with Robert Midkiff on November 23, 1999 and we're at his home in Honolulu, O'ahu. The interviewers are Michi Kodama-Nishimoto and Warren Nishimoto.

RM: Well, I haven't gone back very far in the history of my Father, Frank E. Midkiff's family. His father [RM's paternal grandfather] was named James Jesse Midkiff and was a Baptist minister serving in southern Illinois, in a town called Stonington, Illinois. He [James Jesse Midkiff] had nine children, five of whom lived in Hawai'i at some time during their lives. All of those that grew up worked their way through college, starting with the oldest who pulled the next one through and the next one pulled the next one through. The highest cash income of this Baptist minister was \$750 a year. But the parishioners provided him with a home and 40 acres for crops and it was a farming community. He was not as evangelical as some of the other Baptist ministers. My Father [Frank Elbert Midkiff] told me that when a visiting evangelical Baptist would come through, why, Dad would be told to climb a ladder blindfolded and then leap into the air. Then the ministers would shout, "That's faith!" as they caught him before he hit the ground. (Chuckles)

The large family lived very comfortably. They always had a servant and a nice house, all provided by the parish. My Grandfather visited us once in Hawai'i before he died. At that time, we were living in the President's house on the old campus of the Kamehameha Boys School, where the Atherton Hālau of the Bishop Museum is now. It was a very big old house. Downstairs there was a huge bedroom and inside the room was the bed—now at Washington Place—of Princess Ruth Ke'elikōlani. The bed was at least nine feet wide [with a] beautiful carved headboard and a canopy. Grandpa Midkiff slept one night [on] one-third [of the bed], then he'd move to the middle one-third, then he moved to the other one-third. Then we could make the bed.

(Laughter)

RM: He was a very simple sincere person with nine wonderful children. Two boys and a girl, two boys and a girl, three times. Herbert, the first died of pneumonia at age one. Earl, the next, came out to Honolulu and went to work in real estate. He became a senior vice-president of Hawaiian Trust Company and head of the real estate department. He was a great old character and I still remember and tell some of the superb jokes he collected.

For example—when Dowsett Highlands was subdivided in the [19]20s Earl opined that the secret of successful real estate subdivision was to make your money back on the first 80 percent of your



lots. Then find somebody lying drunk in the gutter on a corner of Hotel Street and deed the other 20 percent (of the lots) to him before he woke up. (WN chuckles.) Anyway, he told many great jokes, which we don't have time for.

The youngest son—another brother—was Bob, for whom I'm named. He was a fighter pilot in World War I, a [U.S.] Air Corps pilot. After the war, he moved to Curtis Aircraft Co. and crashed when the wings of his stunt plane fell off, shortly before I was born. I was named Robert in his honor. My middle name is Richards, for my Mother's side of the family.

Brother John became a principal at the Kamehameha School for Boys. He lived in a home on the other side of the Bishop Museum underneath a great banyan tree. His daughter, Martha Jean, is my age. His younger son, "Jackie," John Howard Midkiff, Jr., Martha Jean and I were always very close, since we lived on the Kamehameha Campus for a long time.

I had an older sister, Mary Wilson Midkiff, who died of diphtheria contracted from the milk from infected cows at the Mānoa Dairy. One of my Father's first crusades was to make sure that all young children were vaccinated for diphtheria and that all cow milk was pasteurized. He successfully waged that battle. I successfully survived the diphtheria. My younger sister, Frances Elizabeth Midkiff, was born five years later. Because I had been so sick, she was "brought up on a sterile sheet," my Mother [Ruth Richards Midkiff] used to say, in the hope that she would never catch infections.

We lived, until 1927, at the corner of O'ahu Avenue and Kamehameha Street, right opposite what is today the home of the president of the University of Hawai'i at College Hill. That home [College Hill, given to the University of Hawai'i in 1963] was built by my great uncle, Frank Cooke Atherton. My Grandmother [Mary Cushing Atherton Richards] lived next door just *makai* of us on the top of a small hill. My Uncle Montie Richards [Herbert Montague Richards] lived *makai* of them, on the corner of Maile Way and O'ahu Avenue. So there was kind of a family compound.

In the summers, we would—when we were very young—we'd go up to Grandma's country place, "Luakaha," which she shared with her brothers Frank and Charles Atherton at the top of Nu'uuanu Valley. My sister and I have inherited Grandma's one-third of it. Other summers we'd move over to a home that Mother and Montie built, one of the first houses on the beach at Lanikai. Our family would spend a month there. It would take about an hour and a half to drive there from downtown over the twisting Pali Road. We'd always have to reach up and hold the roof on as we passed over the Pali. On the way back we would stop and fill the radiator up with water halfway up the Kāne'ohe side of the old road.

Frank Midkiff's family was all pretty long-lived. Dad lived to be ninety-six. He was a lifetime trustee of the [Bernice Pauahi] Bishop Estate. He'd been president of the [Kamehameha] Schools [1923–1933]. During the depression the Bishop Estate trustees decided that they had to cut back because their land rental income was dropping. So they abolished the position of the president and Father became unemployed.

At that time, he had taken a year's sabbatical leave to earn the doctor of education degree from Yale, Columbia, and New York, taking the required courses simultaneously while commuting down to New York to get all of them in one year. When he became unemployed, he had plenty of time to concentrate. He wrote his thesis after his return to Honolulu on the benefits of organized rural community associations.

John [Midkiff], by this time, had become the manager of Waialua [Agricultural Co.] plantation. John was very concerned to keep competent employees on the plantation. So Dad organized the first rural community association in Hawai'i at Waialua and then the second one along the Windward O'ahu Coast, (Ko'olau Poko, Ko'olau Loa). He wrote the thesis on benefits of creating and nourishing various cultural and intellectual activities for rural people. With help from the Juliette M. Atherton Trust, of which my Grandmother, Mary Atherton Richards, was one of the three trustees, they built the first community clubhouse in Waialua, which is still serving the people of the North Shore.

MK: Going back a little bit, what have you heard about your father's childhood in Illinois?

RM: Well, just a busy, pleasant childhood. He went to a one-room schoolhouse and then went on to Colgate [University]. He got a partial scholarship and worked his way through. When he graduated, he became headmaster of a school called Peddie [Institute] in New Jersey, just out of college. From there, he was invited by Punahou School to come to teach English and serve as the athletic director and football coach. So he came to Hawai'i in 1913.

MK: I was wondering, how did a man out in Illinois end up in Hawai'i?

RM: Well, I think the trustees of Punahou invited him. They must have had some kind of a headhunting process. But he was the headmaster of a fine small school in New Jersey. While he was athletic coach at Punahou they won the football championship every year.

(Telephone rings. Taping stops, then resumes.)

MK: Now we were just talking about your father who at one time, was with Punahou. He was an athletic coach there and you were telling us how he did there.

RM: He did very well. His football teams won, I think, five years in a row.

World War I came along and he volunteered for the U.S. Army. He spent two years as a captain, training soldiers to go to France.

During the war [on June 29, 1917] he married my Mother who had been one of his students at Punahou. After he was mustered out of the army, he went to work at Lewers & Cooke, Ltd., a lumber and hardware company.

Then Kamehameha Schools invited him to become principal of the Kamehameha School for Boys and later elevated him to be the president. When he was president, he invited John [Midkiff] to become the principal [of Kamehameha School for Boys, 1923-1924]. I think that's how that all happened.

MK: And what sort of athletic background did your father have?

RM: He was a very athletic person all his life. He was well coordinated and kept in good shape. He was proud of shooting his age in a golf match with then chief justice Wilfred Tsukiyama. He was then 76.

MK: I was wondering if your father ever shared his first reactions to Hawai'i with you?

RM: No. You've got huge resources at Kamehameha Schools. There is a memorabilia room with a full-time, librarian Janet Zisk in the Frank E. Midkiff Learning Center. No he didn't [share his first reactions to Hawai'i]. That's all kind of cloudy.

MK: And, you know, when you think back about your dad, how would you characterize him as a family man?

RM: He was a wonderful man and a perpetual teacher. Very loving, cherishing, concerned, very mentoring. Very much trying to make sure that I did all the things I should be doing during [childhood], for example, walking to Hanalei and Punahou Schools every day while we lived on O'ahu Avenue. I walked. I always was either number one or number two in academics in my class. Dad was happy with my grades.

I tinkered with and built a radio so I could listen to jazz from Benny Goodman's Orchestra at the Palomar Ballroom in Los Angeles. At one point I was supposed to use my allowance for purchasing the parts. I exceeded my allowance so he cut me off for two months to teach me to live within my means. (Chuckles) He was a family teacher as well as a professional teacher.

In 1929, his first sabbatical year, we went up to San Francisco and rented a home in Piedmont. I went to public school there for a year. Got into a wrestling match on the asphalt pavement and knocked out my two front teeth.

Then in 1933, Dad purchased a new LaSalle sedan and, starting from Vancouver, we drove across the continent. He was delegate to a World Education Association Conference at Banff [Canada] at the big Banff Springs Hotel. We brought along our wonderful Japanese maid, Masayo, with us. She was a marvelous lady. With five of us jammed in the car, we packed our bags on a rack on the top of the car. Betty came down with chicken pox in the Banff Springs Hotel. So we were quarantined by the Canadian Health authorities in a very expensive hotel. We couldn't leave.

Dad and I could get out but Betty and Masayo both developed chicken pox, which was contagious. So Dad and I played golf together, watching for the bears, and enjoyed Banff. We had a great time together, drove up to Lake Louise. Finally we were released to drive on to New Haven where we rented an apartment on Whitney Avenue. [In] the apartment next to us were Peter and Margaret Buck. Sir Peter later became director of the Bishop Museum. A wonderful couple: she was an English lady and he was just a marvelous gentleman.

I remember that our maid, Masayo . . . Excuse me.

(Telephone rings. Taping stops, then resumes.)

MK: You were just speaking about the maid.

RM: She washed her long hair one winter day and went outside to comb it. Of course, it froze. (Chuckles) Masayo was a very close friend. Her family arranged a marriage when she came home. They, Masayo and Nobu, have two children, very nice kids. I'm the godfather for Robert who later became a vice-president of Bank of Hawai'i. We have stayed family friends, exchanging Christmas presents. Masayo is still alive.

WN: What is her last name?

RM: Sakoeki. She lives in Pauoa Valley.

At any rate, I was at a New Haven public school for a while. It was a dumb school. The family pulled me out and put me in a classroom with only three students in the eighth grade of a private school, Hamden Hall. This was a school just like Hanahau'oli. Very progressive, very excellent and a very big help to me both academically and socially.

Meanwhile, Dad worked and passed all the classes necessary for his Doctor of Education degree and then we returned home. He found a job as assistant secretary of the Chamber of Commerce [of Honolulu]. He worked very closely with the military, forming the "Kokua Council," which was a military-civilian cooperation committee of the Chamber. He helped to reorganize the Chamber, and worked there from 1934 to 1939 when he was appointed trustee of the Bishop Estate.

In 1939, we were about to take another long trip. The four of us were booked on the [SS] *Rotterdam* on a cruise to Buenos Aires and Rio de Janeiro. But, Dad had to be sworn in as a [Bishop Estate] trustee so we missed one sailing. I stayed with Dad's sister, Grace Robinson, in their home in Flushing, Long Island. That was the year of the New York World's Fair so I visited the Fair almost every day to see what was going on in the world. It was great. I had a marvelous time. I was a sophomore at Yale at the time, having entered Yale in 1938. And so Dad was appointed Bishop Estate trustee, which he held until he died.

MK: I guess we can shift to your mother [Ruth Richards Midkiff].

RM: Okay.

MK: Now, how did your father and mother get together?

RM: Well, I believe he taught her as a student at Punahou. One summer, during World War I, when she came back from Wellesley, they were married, so she didn't finish college.

Mother's family were missionaries. My maternal ancestors were Amos Starr and Juliette Montague Cooke. Juliette was a fabulous lady. When Amos Starr got the call from God to come to Hawai'i, he was told he couldn't come unless he was married. He proposed to several ladies who replied that they weren't ready to move to the Sandwich Isles with him.

(Laughter)

RM: So he wrote the American Board of Commissioners for Foreign Missions and said, "I want to go to the Sandwich Isles, but I can't find a wife."

They replied, "Well, we do know of a young lady whose father recently died. She is now working as a seamstress, but has audited most every class at Amherst. She's well educated." (Females couldn't attend Amherst College then but, because she lived close by, she was allowed to listen.)

"Maybe she would be willing to accompany you. She's a fine Christian woman."

At the time he was living in Danbury so he took the stagecoach through to New Haven and up to Sunderland, Massachusetts, where she lived, a journey of over 100 miles. Cooke arrived there on a Sunday and Juliette, of course, was in Sunday school and church. When she returned home, this young man was waiting on the doorstep saying, "Would you marry me and go to the Sandwich Isles?"

(Laughter)

RM: He stayed in Sunderland for a few days and she finally replied, "Well, let me think it over."

So she talked to the family, her mother and sisters. She talked to the minister and he had the whole congregation of the church praying for her. They finally decided that the Lord was calling her to go to the Sandwich Isles. So she wrote him to accept.

Well, they couldn't get married in Massachusetts because the law required a couple to publish the banns. I think there had to be six weeks between engagement and marriage. But in Connecticut they were able to marry on Thanksgiving Day [November 24, 1836] without civil law requirements. So he came and got her and they stayed with friends along the way back to Danbury. They went by buggy up to Boston to catch the bark *Mary Frazier* to Honolulu. The young couple was together 115 days in a cabin six [feet] by five-and-one-half [feet]. All their early possessions were crowded in the same room. A small oblong table that accompanied them presently stands in the dining room of the home of our daughter Shelley in Arlington, Massachusetts.

WN: They got to know each other pretty well.

RM: Pretty well. Juliette's last letter before sailing to Honolulu ends with these touching words, "I find my Mr. Cooke a very kind friend. Think I would not exchange with any of the ladies."

WN: The story that you just told us, is it documented or published?

RM: It's beautifully documented in a book, published by my Grandmother, called *Amos Starr Cooke and Juliette Montague Cooke, Their Autobiographies Gleaned from their Journals and Letters*.

(Showing the book.)

WN: Mm hmm. Right, right, right.

RM: My Grandmother [Mary A. Richards] published the book. She published two books. The other is called *[The] Chiefs' Children's School: [A Record Compiled from the Diary and Letters of Amos Starr Cooke and Juliette Montague Cooke]*, which is available in bookstores. The Amos Starr Cooke book was published for the Cooke Family. It contains selections from the letters and journals of the two of them. Starting with when they were very young and all through their lives. It's very good, very good reading. Juliette comes through as a wonderful woman.

They had seven children. [The Cookes were parents of: Joseph Platt, Martha Eliza, Juliette Montague, Mary Annis, Charles Montague, Amos Francis, and Clarence Warner.]

The oldest daughter was Martha Eliza who married Samuel T. Alexander [co-founder of Alexander & Baldwin, Ltd.].

The next daughter, Juliette Montague, married a young businessman named J.B. [Joseph Ballard] Atherton. He became a partner with S. N. (Samuel Northrup) Castle of Castle & Cooke when Amos Starr Cooke became ill. Under his leadership, Castle & Cooke did well. He helped to create the 'Ewa Plantation [Co.] soon after artesian water was discovered. Atherton had to put a mortgage on their home to finance 'Ewa Plantation, and almost lost that home. But it came out all right in the end.



Castle & Cooke financed the development of Waialua [Agricultural Co.], and then they financed Kohala [Sugar Co.]. The plantations really led them from trading merchandise into the sugar industry. My great-grandparents had three children who survived childhood. They were Charles Henry Atherton; my Grandmother, Mary Atherton Richards; and Frank Cooke Atherton.

Theodore Richards [who married Mary Atherton in 1892] had come out to Honolulu to teach at Kamehameha. After college, he had planned to become a lawyer. He graduated from Wesleyan, where had had been offered a clerkship in the office of (later) Chief Justice Charles Evans Hughes. But the summer after graduation, he was a counselor at one of the summer camps on a lake in the Adirondacks. Richards had been president of the Wesleyan Glee Club, played the piano well and had a strong tenor voice.

General Samuel Chapman Armstrong was a son of one of the early missionaries to Hawai'i. He became the youngest general in the Union Army during the Civil War, leading a division of escaped Negro troops. The Armstrongs, with their two lovely daughters were camping on the same lake. General Armstrong sang bass, Grandpa sang tenor, and the two girls sang alto and soprano. They would paddle two canoes and drift around the lake singing quartets. (Chuckles)

The missionary son, General Armstrong said to Grandpa, "You need to go to Hawai'i. Give up this law idea, and go to Hawai'i and teach the young Hawaiian children at Kamehameha."

So Grandpa came out [in 1889] and taught at the Kamehameha Schools. One of his students was Charles E. King who learned to sing classical and popular music from Grandpa. King became a prolific writer of Hawaiian music. At Wesleyan they yodeled. George Kanahele credits Grandpa Richards as one of the fathers of Hawaiian falsetto singing.

WN: Wow.

RM: Anyway, he became principal of Kamehameha Schools [1891–1898]. He married Mary Cushing Atherton, a remarkable lady. She received income distributions from Castle & Cooke and together they supported many noble causes. He was the treasurer of the Hawaiian Evangelical Association and stayed in that job for thirty or forty years. Central Union [Church] was much too radical for him so he moved to Kawaiaha'o Church, which was more fundamentalist. He studied Japanese and could read and write Hawaiian. The two of them had wonderful trips around the world. They left a fantastic collection of photos and materials which we have turned over to the Bishop Museum.

There's a fabulous biography, written by Gwenfread Allen called *The Bridge Builders, [The Story of Theodore and Mary Atherton Richards]*.

They funded the first international, interracial scholarship program after the Boxer Rebellion. Every year they financed one boy or girl from Yenching University in China and, one boy or girl from Japan, usually from Doshisha [University]. Each year they sent a young local Japanese and a Chinese. These wonderful young students became the "Friend Peace Scholars." They formed an active alumni association for many years, but many of them have passed away by now.

Tsuyuko, daughter of one of the original scholars, Dr. Iwao Ayusawa (who became one of the founders and senior professors after the war at Japan Christian University), was a Friend Peace Scholar, living with the Richards in Hawai'i in 1941 when her parents said, "You'd better come home." So she caught the last passenger ship back to Japan before Pearl Harbor. I looked her up when I was in the military government in Japan. She was a lovely person.



She has married a Frenchman and lives in France somewhere now. There was a very active group of young Vichy French and Germans and Italians who lived in Japan during the war. She was a liberated lady because of her upbringing and her American training.

Anyway, every Sunday morning we would go to Grandma and Grandpa's for prayers on our knees and hymns standing up. Grandma played a foot-pumped organ. We would have a delicious breakfast served by her two Japanese ladies, before we went to Sunday school at Central Union Church. After church we would have a huge lunch at our house. Then we'd sleep. (Chuckles) And then we'd get on with homework after that. I was so envious of all my various cousins who could go out and play all Sunday.

WN: Where was the home located?

RM: Grandpa Richards was right on 2135 O'ahu Avenue and we lived next door at 2207 O'ahu Avenue. A Japanese church [Honolulu Christian Church] is there now.

MK: So in those days, how many separate families were actually there, in the Richards compound?

RM: Well, there was Grandma's house, a two-story home that's still there. Montie Richards' house was *makai* on Maile Way. And *mauka* was our house. Across the street was Frank Atherton's home. Armstrong Street was where Charles Atherton lived. Later his daughters, Juliette Guard and Laura Morgan, lived three houses right next door, next to the entry to Mid-Pacific [Institute]. Frank Atherton, Mary Atherton Richards, and Charles Atherton all lived within a few blocks of each other in the College Hills Tract which was sold off by Punahou.

MK: And I know that you said earlier that your mother, Ruth Richards Midkiff, also went to Punahou.

RM: Punahou, yeah. And then went on to Wellesley College for two years and then came back and married in 1917.

MK: And I think you mentioned earlier that during World War II, your mother did some work and . . .

RM: Well she'd come back to the East Coast in September, 1941, to put my sister Betty into the Ethel Walker School in Connecticut. On December 7, we were having lunch together with friends in New Haven (I was in my senior year at Yale). I remember pontificating that there was no way the Japanese could ever get to Hawai'i because the [U.S.] Navy had their planes flying 200 miles out, circling day and night. I didn't know that on Sunday mornings, they didn't do that. (Chuckles)

Shortly after December 7, Dad was appointed the Director of Civilian Evacuation. Mother couldn't come home while he was getting everybody else out of the place. As director of civilian evacuation, he worked with military and naval intelligence to just concentrate on the few questionable Japanese instead of evacuating all of the Japanese, as they did in California. John [Midkiff] and Father vouched for many Japanese.

An Army Colonel named Kendall Fiedler was the military counterpart. Dad was very close to the military because he'd been the founder of the Kokua Council and the military knew him, he knew them, and they trusted him.

MK: And your mom was . . .

RM: She was stuck on the East Coast. Her brother, Atherton Richards, deputy director of the OSS, Office of Strategic Services, said, "Well, come on down to Washington. I will get you a job in the OSS." So she was a receptionist in their big Washington headquarters office until Father felt it safe for her to come home.

MK: And then in the postwar era, what was her main community work?

RM: She was very active in the YWCA [Young Women's Christian Association]. She became a national board director, representing Hawai'i. She was elected to the national board. Her picture hangs there in the Fernhurst [YWCA]. She was the chairman of the YWCA here. [The Athertons gave their family property, Fernhurst, to the YWCA in memory of their daughter, Kate Atherton who had drowned at an early age.] Well, she persuaded the YWCA to build a bayside camp at Kokokahi, which is now called *Hale Kipa*.

She was Regent of the Daughters of Hawai'i for two terms. She was chairman of the Juliette M. Atherton Trust, the Kokokahi Trustees, the Ida M. Pope Memorial Fund, and a director of the Women's Board of Missions as well as many other noble causes.

My Grandfather had started Kokokahi. That's a very interesting story. I have a little brochure on it. Would you like to read about that?

MK: Okay.

RM: Grandpa firmly believed in interracial harmony. He had established a settlement house on River and Hotel Street where they took care of all kinds of people. After the Chinatown Fire the city condemned it to become 'A'ala Park. So he took the condemnation money and moved to Kaka'ako and started the Kaka'ako Mission on Ilaniwai Street. Then he decided that it would be nice to have people camping together so he got title to a small area on Kāne'ōhe Bay from the Bishop Estate, which is now the landing for Coconut Island. He leased Coconut Island as a place to take kids out and camp and play. The Bishop Estate then owned Coconut Island.

That camp was too small. *Pōmaika'i*, and so in 1926 he talked Harold Castle into selling him the entire Kokokahi Valley. In those days, you couldn't get to that valley because there was no road. You'd go by boat across the bay. Eventually, the City [and County of Honolulu] built a very rough road along Kāne'ōhe Bay Drive, but it wasn't paved or anything.

Grandpa laid out this valley, right from the top of the mountain, as an *ahupua'a*. The top of the valley is called "Friendship Gardens." He left all the indigenous plants, but he also placed some statuary from Japan and China, bridges and stuff. It's still there. Down below, he built—with the help of various missionary families—who donated the Wilcox Cabin and the Cooke Cabin and the Castle Cabin and so on. He built a large music camp building and a summer camp and called [it], "Kokokahi." Now, Kokokahi means, "of one blood." It's a quotation from Saint Paul, "We are all of one blood, brothers and sisters under God."

So the idea was to have people work and play together. He developed the lots and sold them off for six cents a square foot. So many to the Koreans, so many to Japanese, so many to Hawaiians, so many to Filipinos, so many to *Haoles*. The money from the sale of the house lots, built the various facilities for the camp. By the time the depression came along in '29, he had built that long pier out [into the bay].

WN: Oh, he did it?

- RM: Yeah. So they could get out to clean salt water. Boating was one of his great pleasures. Well, I used to go over there for summer camp, I played the piano and interestingly enough, one of my fellow summer campers was Marjorie Midkiff, who [later] became my Father's second wife. She's just a year older than I am. Anyway, that was a good—great experience for me.
- MK: So both your mother and your grandfather were involved with the Y[WCA].
- RM: My Grandfather was more involved with [Camp] Kokokahi. He gave to help the Y[WCA] buy the area right on the bay. He set up a trust to last fifty years and I later became one of the trustees. Well, we sold off the rest of the lots in the 1950s and gave the money to the YWCA to fill in a fishpond so they could have a large playground area. We built the Ruth Richards Midkiff Gym and the Juliette Montague Atherton Hall. The Y has recently raised \$6 million to restore Laniākea [Center] on Richards Street as well as the Midkiff Gym and the Atherton Building.
- WN: This is at Kokokahi.
- RM: Yeah.
- WN: Uh huh. And you just said Laniākea. That's—you mean the . . .
- RM: That's downtown. Richards Street building, yeah. They have raised funds to restore that building also.
- WN: Okay.
- RM: Incidentally, just to lead back, the Kaka'ako Mission eventually—the Missionary Church decided that it was too small. The Atherton Family Foundation gave a part of that property to the Kindergarten and Children's Aid [Association] and it became the Muriel Kindergarten [named after Muriel Richards. Mother's deceased younger sister]. And then when the church moved out to Moanalua, the Atherton Family Foundation developed some commercial rental income property next to the preschool. And then when the Honolulu Community Development Authority needed that particular location for a parking garage, they traded with us. So they built this large tower over where E.E. Black's office used to be on Kamake'e Street and the ground floor is now the Muriel Kindergarten of KCAA. The Atherton Family Foundation—I was the president—also received condominium interests on the second floor which now produces \$300,000 a year rent. You try to do good and you do well. Everything has worked out very well. It all came from the settlement house on the Nu'uuanu Stream.
- WN: Was there a name for that settlement house?
- RM: I don't know, before my time.
- MK: Well, instead of focusing on things before your time, now we'll just focus in on you and your life. You were born on September 24, 1920 in Honolulu. And in terms of your own family, what number child were you?
- RM: I was number two. Mary Wilson Midkiff was older by three years. She died of diphtheria when I was just a baby so I never knew her.
- MK: And we know that in your early years until the age of seven, you lived in Mānoa. You've talked a little bit about the compound on O'ahu Avenue. And I know from age seven, though, your father

had become president of Kamehameha [Schools] and you were living . . .

RM: On the lower campus for the boys. We lived in the president's house right across from the Bishop Museum building. We had a pretty big yard. One corner of it was a place where I grew rabbits and chickens and ducks. My job was to feed them. I would go out and cut *honohono* grass every morning for the rabbits. We also had a horse there. I used to ride around the campus as a little boy. (Chuckles) Pretty nice life. Had a number of the faculty kids, about my age, I was sort of a mascot of the [graduating] classes of '27, '28, '29. A lot of those guys, over the years, have reminded me that they took care of me.

I can recall once Dad parked his car on the hill by the Bishop Museum. I was playing with it and of course, released the brake. The car started to roll, but a couple of the students were able to leap on the side of the car and reach in and pull the hand brake and save my life . . .

(Laughter)

RM: . . . before I crashed into a faculty house.

Another time I recall Dad bought a new car and it was parked in our garage. The color was not favorable to me and there stood a can of green paint. I had personally taken it upon myself to start repainting the car before they caught me.

(Laughter)

RM: Another time Dad caught me with the yardman smoking Bull Durham cigarettes. I must have been eight or nine. As he spanked me, he said, "Don't you ever start smoking, son. I can't quit." He couldn't quit. He said, "It has absolutely got me and I hate it but I can't quit." So I never, never smoked after that.

Luckily for his longevity, a couple years later he came down with pleurisy, which is a disease of the lungs. He almost died while he lived on a plastic sheet for weeks. But that was long enough to break the smoking habit. He never smoked again.

MK: You know, when you were living on the Kamehameha campus, what other families lived near you?

RM: Well, the John Midkiffs were across the way. The head of the ROTC [Reserve Officers' Training Corps] was [Captain] Urquhardt. His son, Jim, and I used to play together. A boy named Rex Barrett lived in Dormitory A. His father was one of the teachers, I played with him. That's about all I can remember.

WN: Let me turn. . . .

END OF SIDE ONE

SIDE TWO

MK: We were just talking about your family being on the grounds of Kamehameha Schools. We talked about some of the other families living there and some incidents that you remembered involving the car. What else do you remember about life there for a young boy?

RM: Well, we had that big, big house. I remember Father was shaving one morning and I had a big book which I was pretending to read, a picture book. And all of a sudden I could read it. It came to me like *that*. I remember clearly—the realization that I actually was reading those words.

We lived on the second floor. Downstairs was a separate parlor we hardly ever used, and a big room with lots of furniture. Of course, we built forts by moving the furniture around and made stuff to play with.

I can remember the horse. I didn't spend enough time with it. It got very restless, so I thought I would placate it one day by feeding it *kiawe* beans. The horse was tired of me feeding him so he just knocked me down, put a foot on me, and then started eating around me. (MK laughs.) Luckily, a couple of the schoolboys came and pushed the horse off. (Laughs) I got up screaming and shouting. (Chuckles)

WN: When you say "boys," were they kids your age?

RM: No, they were middle school students.

WN: Oh, these were the students.

RM: Another time, there was a huge banyan tree where John Midkiff lived. Jackie [RM's cousin, John Howard Midkiff, Jr.] and I were climbing way up in the branches of this tree. I noticed two vertical branches that made a circle. So I'm standing on one large branch about twenty feet above the ground, put my head through and "Ha, ha, ha." Stuck. I couldn't pull it out again.

(Laughter)

RM: So again the schoolboys had to climb the tree and rescue me.

(Laughter)

RM: Oh well.

WN: You said that the house that you lived in was where—near where the Atherton Halau is?

RM: Right there, yeah.

WN: Right there. What buildings that are today part of Bishop Museum, that are still there, were part of Kamehameha?

RM: Just one large stone classroom building next to Castle Hall. The Bishop Museum had that long extension behind it where the offices are. But the rest of the school was below the present entrance. There was a whole bunch of dormitories, A, B, C, and D in one row and behind were E and F. At the foot of the campus were the shops and where Captain Urquhardt and his family lived. There were a whole bunch of teacher houses down there, below the parade grounds. Then way down in the corner was the Pauahi Chapel. It was a beautiful stone building. I'd go there quite often on Sundays and hear the boys and girls sing. Across King Street, across where

Farrington [High School] is now, was the girls' school [Kamehameha School for Girls]. On the *makai* side of King Street.

MK: And in those days, did you have free rein to go all over the place?

RM: Anywhere, yeah. Anywhere. I would say it was wonderful.

MK: And then since there were students there, probably not that much older than you, as you got older and older.

RM: Oh yeah. We were there until I was fourteen. Everybody sort of adopted me as the president's son. I got along with everybody.

MK: So then what sorts of activities did you engage in with the students around there?

RM: Not really. They just played their own, touch football and stuff. I was too small for that.

MK: But they kind of adopted you.

RM: Yeah. Every morning a [U.S.] Army truck would stop by with some kids from [Fort] Shafter. It'd pick me up and we would drive off to Punahou. There was a policy that none of the faculty children could attend the schools.

(Due to technical difficulties, the remainder of side B is inaudible.)

END OF INTERVIEW



Tape No. 33-2-2-99

ORAL HISTORY INTERVIEW

with

Robert Richards Midkiff (RM)

Honolulu, O'ahu

December 14, 1999

BY: Michi Kodama-Nishimoto (MK) and Warren Nishimoto (WN)

WN: This is an interview with Robert Midkiff on December 14, 1999 and we're at his home in Honolulu, O'ahu. The interviewers are Michi Kodama-Nishimoto and Warren Nishimoto.

MK: Okay, this is our second session with Mr. Robert Midkiff and we're going to follow up on some things that we did not complete last time.

I had asked you about your father and I had posed a question on your view of your father as a family man and on his influence on your life. But I failed to ask a similar question about your mom.

RM: Hmm.

MK: So what are your thoughts on your mother as a mother and as an influence on your life?

RM: Well, Mother didn't have to do housework 'cause we had always a cook and a maid. She could concentrate on her children and also on her various noble activities. She was very involved in the YWCA [Young Women's Christian Association], on the national board of the YWCA with Mrs. Lawrence Rockefeller. She was very active in the League of [Women Voters]. Her father [Theodore Richards], of course, was the treasurer of the Hawaiian Evangelical Association. She was trustee for her grandmother's trust, Juliette M. Atherton Trust, at the time. She was trustee of her father's Kokokahi Camp Trust. She was a community leader. She was a member of the Garden Club and regent of the Daughters of Hawai'i. All kinds of noble causes kept her quite busy.

And at Kamehameha Schools, why she was, of course, the president's wife and did a lot of faculty entertaining and—socially active in that program. Later, when we moved back to Mānoa, she did some considerable entertaining. In those days, entertaining was wonderful. There were strolling (driving) Hawaiian musicians. If they saw a whole bunch of cars parked in front of your house, they'd get out of their car and come in and start singing. So you'd invite them in and give 'em some money and they'd sing for you. (MK chuckles.) That's the way a lot of young boys made some extra cash at the time. Very pleasant days.

We had wonderful Thanksgivings and wonderful Christmases. At one Christmas, for example, we would have breakfast with the George Sumners (Evanita's parents), we'd have lunch with the Charles Atherton Family up on Armstrong Street, and then we'd pack our two kids and their cribs

and drive off to Waialua to have dinner with and spend the night with my Uncle John in the big manager's house. So there was quite a lot of family activity at that time.

(Telephone rings. Taping stops, then resumes.)

MK: Okay, right before the call we were talking about your mother and Christmas being celebrated with family.

RM: She loved to play bridge. Dad was awfully busy so she would have a foursome for bridge in the afternoons quite often. She played a lot of solitaire in her latter days. She passed away in a very unfortunate accident. She went in for a physical check-up at the Queen's Hospital because her back was kind of sore. She had bought a new bed jacket to look well. I was at Kuakini Hospital having a hernia operation when I got this frantic call from my wife.

"Your mother is in desperate trouble. She was smoking."

My wife and our son, David, had just been to call on her to say hello and had left. And then she lit a cigarette in the hospital bed. Apparently, there was some oxygen leaking and so there was a flash fire. Her bed jacket caught fire and she died two days later in Queen's Hospital. Amazing tragedy.

Dad was devastated for a time. A year after Mother's death, he invited me to have lunch at the Pacific Club. We had a pleasant lunch. He was Senior Trustee of the Bishop Estate and I was president of American Trust [American Trust Company of Hawai'i, Inc.] at the time.

So he said, "You know, would you mind coming back to my office at the Bishop Estate?"

So we drove down to his office and closed the door. Dad said, "Well now, your dear mother has been gone for one year. I'm eighty-five, it's time for me to get married again. I wondered if you'd give me some advice? Now, I've got a little list here."

He started naming widows one by one. I listened and listened. All of a sudden I could hear where he was headed. Marjorie Carter was his choice. She had been secretary for several of their very close [U.S.] Navy friends all of whom were three- or four-star admirals of the 14th Naval District. These gentlemen all thought Marjorie Carter was just fantastic. Two of them had said to him, "If my wife ever dies, I'm coming back to marry Marjorie." Naturally, I agreed that this was the lady for Dad. Years before we had been at Camp Kokokahi together. She was a year older than I and she played piano and so did I. We'd been friends for a long, long, time.

She is a heavenly person, just heavenly. And so they were married. She really fitted right in as his wife and as the wife of the senior trustee of the Bishop Estate. Dad thought that Marjorie Carter was part-Hawaiian and didn't learn until later that her mother was Chinese. They are an outstanding family. Marjorie has two beautiful sisters. Marjorie had her own family and they made a mutual financial agreement. She's just superb.

When Dad [was] ninety-three years old, he had a case of the shingles. He couldn't play golf after that, he'd been playing regularly, at least twice a week. Very athletic man. So she took care of him. He got into an automobile accident, driving when he shouldn't have been. I'd been trying to keep him from driving, even called Francis Keala, the chief of police. I told Francis, "Now when it comes time to renew Father's driving license, please take it away from him because he's not a safe driver."

Keala replied, "Oh, I can't do that to him. The medical records of his eyes indicate that he's perfectly all right."

I said, "Well, you said it."

Anyway, Dad drove out of Nu'uanu Pali Drive, onto the Pali Highway one day before they installed the stop light. He didn't realize how fast an advancing car was coming and they crashed into the back of his car. They ended up in the hospital. At that point, we persuaded him never to drive again and Marjorie drove him the rest of his life. He went daily to his desk at the Bishop Estate.

Several times he told me, "You know, if you think that I should resign as trustee of the Bishop Estate, I want you to give me that advice. Friendly advice."

And I told him several times that it was the time. Perhaps three times. Each time he said, "Well, not quite yet. I just need to finish a little bit more of my work and then I'll look at it."

He never did resign. I am delighted that they now have a maximum age of seventy, which is young, considering that I'm almost eighty. But you need a general rule for maximum age for that important trust.

Anyway, Marjorie was a fantastic wife. I mean, I just love her. She's a great stepmother. She is very active in a number of charities with which Dad had been involved. The Japan-America Society, the Army Museum, and the Crown Prince Akihito Scholarship Committee, are noble causes. And she continues that way and she's one of the lady leaders of this community. It was a nice marriage.

MK: So you had a mother and a stepmother.

RM: Right, yeah.

MK: They were very active in the community. You know, earlier you mentioned that you had family Christmases and you had also mentioned in the earlier interview that the Atherton and Richards Family lived in sort of a compound of homes in the Mānoa area.

RM: Yeah, right.

MK: In addition to holidays, what were the relationships or interactions like among the families there?

RM: Well, I would say that at the time and all through my life, one of my very closest friends, is James F. Morgan Jr., Bud Morgan, who is a [member of the] Charles Atherton Family. He is vice-president of the Atherton Family Foundation. We [Midkiffs and Morgans] have traveled together several times. His wife was Lila Larsen and her father was Dr. Nils Larsen. The four of us have been to Europe four times. Lots of travel. We are very close friends. So that's a cousinly relationship which is very strong. I wasn't that close to the other members of the family but Bud and I grew up [together]. We had this one experience which I may or may not have mentioned.

I went to kindergarten at Hanahau'oli [School]. And then went to first grade at Punahou. Bud and I were in the same class. During second grade, Miss [Jane] Winne came into the classroom, and said, "You know, we have some vacancies in the third grade. Which of you would like to be promoted?" And foolishly, I put up my hand.

Bud said, "No, no, no. Stay right where you are. It's all right."

But I left him, I went into the third grade. Well, unfortunately I missed multiplication and plunged into long division. I had to repeat fourth grade because I wasn't doing at all well. I went back to Hanahau'oli for fourth, fifth, and sixth grades. Anyway, in seventh grade at Punahou, I renewed my relationship with Bud Morgan.

The Richards Family was very close. Every Sunday we'd go over to Grandma and Grandpa's for prayers. We'd sit in their study. Grandma [Mary Richards] would play the pump organ, Grandpa [Theodore Richards] had laid out a program for prayers and the morning readings. He read the Bible and also read some textbooks or reading guides. We'd sit there on the couches or chairs and sing two or three hymns. When we were finished with the morning program, we'd move to this sumptuous breakfast prepared by their cook and maid. They had all kinds of wonderful things every Sunday morning. That was a reward for spending forty-five minutes to an hour in prayer. Then we'd go to Central Union Church. I'd go to Sunday school. Then to Central Union, the big church, until twelve. Then we'd come home after that and have a big lunch at our house. Usually roast beef, or turkey or some other big entree. I can remember my Father stretching out on the living room floor, on the rug, and having a little nap right after the lunches.

(Laughter)

RM: Then we're on our own. I used to envy my Atherton cousins because they didn't have to go to church. They could play, and here I was spending half a day already on religious activities.

MK: What did you think of all this religious activity?

RM: Well at the time, I wasn't in favor of it but I now wish my kids had had that rich experience.

MK: And I know that you mentioned you went to Hanahau'oli and Punahou. If you can kind of reveal for us, your educational career at these two institutions.

RM: The first three years I can't really recall much. Punahou. Penmanship with the Palmer Method is all I really remember. Fourth, fifth, and sixth grade at Hanahau'oli were just super. That's a great school. Fourth grade we had our class project with Hawaiian agriculture. We planted pineapple and varieties of sugarcane. We learned all kinds of little things. We learned Hawaiian prayers for planting and so on. Fifth grade, we ran the cafeteria. We ordered the food, we paid the bills, we had to do the menus. We'd serve and clean up lunches for all of the kids. That's where I learned to keep a book set. (MK laughs.) It was great, good experience. Sixth grade, we ran the library. I was the editor of the Hanahau'oli weekly paper. Not only did I partly write it, but I also ran the mimeograph machine and put it all together for its weekly issue. Hands on, it was a marvelous experience.

So then I went to Punahou in seventh grade and rejoined Bud at that point, and finished up high school. I was a serious student, doing well in school. My grades were always A's. I was not a good athlete but I went out for track and for swimming but I never made the first teams. There were always faster or bigger boys. I tried out for JV [junior varsity] football and got bumped up a lot. (Chuckles) Starting in ninth grade, I got into Junior ROTC [Reserve Officers' Training Corps], which Dad had started years before. I ended up as the colonel of the Punahou ROTC corps. Now, the fun of that was that there also was a ROTC at McKinley, St. Louis, Kaimukī, and Kamehameha, I remember. The battalion elected the most popular girl in school as the battalion sponsor. That turned out to be Peggy Kellerman, who is now Mrs. Bill Paty. Bill was also a

member of the Class of 1938. She was a junior. Another sponsor was Evanita Sumner, whom I later married. But anyway, I got to take Peggy in my 1931 Chevy Roadster to all the nice ROTC dances and she was so much fun. We had a lot of great times together in a very, pleasant and platonic way. We have kidded each other all our lives as good friends. Let's see, that was going to lead to something. At any rate, the ROTC was a great training experience. Evanita, as I said, was sponsor of Company C. I didn't really see much of her. She was going out with Thurston Twigg-Smith, my other very closest friend. My girlfriend was Dotsy Schenck. Her father was [Rev.] Norman Schenck. He was the principal minister of the Hawaiian Evangelical Association. Dotsy's brother, Edgar, later became director of the Honolulu Academy of Arts. Brother John was a schoolteacher and Dotsy was a delightful character. We have always been very close friends.

WN: Was Dotsy her nickname?

RM: Yeah, Dorothy was her real name.

WN: Dorothy.

RM: Dorothy. She later married my Yale college roommate, John Kneubuhl, who was also in our class at Punahou. John Kneubuhl was a true genius, really fantastic. He was from Samoa, came up and boarded with the Reverend Henry Judd. His brother, Jimmy, was one of the greatest athletes we ever had at Punahou. Benny was his next brother. Benny is the grandfather of our son, Bobby's, fiancée. It's a very small world! Johnny was a marvelous pianist, and very talented, dramatic person. He was also one of the fastest humans at Punahou. He set a 220-yard high hurdle record, which still stands because they don't have 220 high hurdles anymore. Only low hurdles. But his record stands.

And then we went on and Johnny and [Thurston] "Twigg" [Twigg-Smith] and I were roommates at Yale, freshman year. Then Twigg moved in with somebody else and I stayed with Johnny for the rest of the Yale career.

Punahou was a great place. I ended up as business manager for the *Oahuan*. I managed a fund-raising dance and had the experience of selling ads and putting out the *Oahuan* yearbook and making money; keeping books and coming out ahead. It was a marvelous experience that way.

Classes, we had some fantastic teachers. We had this great English teacher named Dr. Albert Stevens, who had been a pediatrician. In World War I he was assigned to the British army in France and he had become violently opposed to war because he saw so much senseless slaughter.

The generals would say, "We're going to take that hill. Charge."

So all these fine young British soldiers and officers would charge up the hill in the face of withering machine-gun fire. At great human cost, they'd take the hill.

Then a week later, the generals would say, "Well, we got to straighten out our lines. Let's move back." So they'd move back again. Then two months later, "Take that hill." It was just senseless, terrible stupidity on the part of the British generals at the time.

Anyway, he was paranoid. He was a pediatrician, and apparently there was some mistake where his diagnosis was not proper and a child died and he was sued. So he decided to give up medicine

and move to Hawai'i and became a teacher of English. He was just so inspirational. He was great. I really learned to love Shakespeare through this man. He brought Shakespeare to life. Dr. Stevens was a mentor.

Halfway through our senior year, because Dr. Stevens was not teaching to the book, Punahou moved me to a marvelous conventional teacher, Miss Mary Card Porter. She gave us a book called *Writing and Thinking*. That's been the most useful book I ever read. It's how to speak and write clearly, defining what it is you're trying to say, boiling it down to its essentials and coming out with a picture. As a result of her training, I got into advanced placement in all kinds of classes. Applied to Yale and got in advanced placement French and Latin and English. Punahou was a great preparatory school.

On Saturdays, after working on the *Oahuan*, (my friends would be working at *Ka Punahou*), about 12:30 or so, we'd get in my car and drive across the Pali. We would usually drive to either Makapu'u or Mōkapu, before it became the [Kāne'ohe] Marine Corps Air Station. We'd stop at some farm on the way and buy a bunch of ripe bananas, and then go in and swim and eat bananas and swim and catch waves and eat bananas. Then drive back over the Pali and go out for some kind of a nice party on Saturday night.

I had one frightening experience at Mōkapu. I got caught in a riptide and didn't have the sense to swim with it. I swam against it and just barely made the shore. I thought I was going to die, my heart was pounding so badly. But that came out all right.

The car. Every summer starting when I was just barely fifteen, I had a summer job. I worked as a tray boy in the Hawaiian Pineapple [Company] cannery. My uncle, Atherton Richards, was the president of Hawaiian Pine[apple Co.], but I didn't get the job through him. I got it through one of the Punahou teachers, Ira Berkey. I finally found myself on the swing shift. Then one day they tried out a new machine, which unfortunately, was called, "The finger machine." This was a machine that cut long strips of pineapple to put in iced tea and that was a great invention at the time. About 2:30 in the morning, I'm tending this machine and it jams. So I stick my rubber gloved hand in the hole where the pineapple cores went in, where they get sliced top and bottom and then cored and then sliced down, and unfortunately, just when I put my hand in, the machine started moving again. And I lost the tip of my right hand, middle finger. So I get off the machine and started running for the dispensary, trailing blood as I go. I arrived at the dispensary at 2:30, 3:00 in the morning.

A nurse on duty said, "Oh, don't get blood all over my clean floor. Go sit over there."

(Laughter)

RM: Yeah. She applied a tourniquet to stop the artery from pouring out this blood. And then they called up Dr. Peter Halford, who was Dole's [i.e., Hawaiian Pineapple Company's] retained doctor. He married an Atherton cousin, Marjorie Atherton. So we met at the old Medical Group, which is located where the Capital One building is, on Beretania Street. He did some emergency surgery. I hadn't completely lost the tip but he decided that he couldn't reattach all the tendons so he cut off the tip of the first joint. Sewed it back together, sewed up the top. Well, that meant that I had to give up the clarinet. I was going to be like Benny Goodman. But air would leak out from the clarinet so I gave that up and went back to the piano.

Took piano all the years I was at Punahou. The Juliette M. Atherton Trust had given the money for the Juliette Montague Hall. The head of the music school was a man named Vern Waldo



Thompson and I became one of his pupils. Even with this lost finger I memorized about four or five Beethoven sonatas, which I could perform. And some Chopin. Well, I wasn't that good but I was passable. Had a great time and spent an hour or two every night, practicing. Johnny Kneubuhl on the other hand, was a genius at piano also. He would surpass me by far. He'd do the flashy things and I'd do the solemn pieces. Anyway, Punahou was a rich life.

Oh, the car. What I did get out of that loss of my finger, was Workman's Compensation, which in those days for a lost finger, was \$500. So with the \$500, I found a Chevrolet roadster with a rumble seat, which we named Elmira. During junior and senior years I had this car with all my buddies. That's how we could all pile in and go surfing in that car. We had to hold down the roof when we went over the Pali because the wind would howl and the cloth cover would get blown off. So everybody [would] put their hands up and hang on when we'd go around the corners.

Junior year, I worked for a month and a half at Waialua Plantation, in the Mokulē'ia fields doing *hō hana*. And *hō hana* is hard work. We're weeding and I had a hoe, had to keep it very sharp. I would get one cent for every line that I hoed. And, man, to make a dollar a day, was hard, hard work. We lived there with Uncle John [Midkiff, manager of Waialua Agricultural Co. plantation] who then had a beach house at Mokulē'ia. My cousin, Jackie Midkiff, and I were doing *hō hana*. He was a little younger than I. Probably under fifteen, but that's all right, we were working there. That was a legitimate age to be working. At 4:30, the alarm clock would go off. The cook had prepared a *bentō* in a double-bottomed pot; on the bottom would be the rice and on top would be the other things. We'd have breakfast before we left, cold breakfast. Then the truck would pick us up, take us out to the fields, and at 7:00 we'd stop and eat the first part of our *bentō* and at 11:30 we'd stop again and have half an hour to finish the *bentō*. And then at 3:00 we were through for the day, go home, have a glass of milk and a cookie, fall in bed and sleep until 5:30 or 6:00. Then we'd be woken up, have a nice dinner, fall back in bed again and start the whole thing over again the next day. Well, that was good for me, but not pleasant.

Fortunately, Dad was named to be head of the education section of the World Health Organization conference in Tokyo. Mother, for some reason, couldn't go, and he decided to take me along. This is the summer of '37. I well remember the *Empress of Japan*—I guess it was—moving into Yokohama Harbor. I sat up there in the bow watching all these new lights in this exotic country. Caught a terrible cold. Then we went to Tokyo and Dad conducted his sessions. When they were finished, he took me off to a hotel right at the foot of Fuji-yama. The owner had a huge beard and he had a room full of pictures with guys with beards six-feet, eight-feet long. I can remember that very well. Then when we finished, that was a little break, then the conference was over, we went back up to another hotel at the foot of the northern side of Fuji. So we arranged with a guide for me to go up and see the dawn on top of Fuji-yama. Well, the guide was a young man who didn't speak a word of English and I didn't have more than four words of Japanese. My goal was to get to the top to watch the dawn. Well, as we went up there, we stopped at the rest houses, this is beginning of September I guess.

And when we came to one he said, "No, no. Stop right here."

"Oh no, no. We got to go higher," I told him, foolishly.

Well, that was the last rest house that was open. We finally camped down at about 8,500, 9,000 feet and froze. So we just held each other and tried to stay warm until before the dawn—until there was enough light to go on up to the top. We got up to the top at dawn and saw the sun come up. Then the fun was to come down on the south side of Fuji-yama, the Gotemba side. It's all ash, volcanic ash. Every step you take, you slide two feet. So you just run and slide, run and slide. We

came down in no time at all. It was wonderful, Dad was waiting and watching our cloud of dust from the bottom.

(Taping stops, then resumes.)

RM: Before Dad left Honolulu, he'd gone to the Japan consul general and gotten a big scroll saying that he was on important business and a "friend of the Emperor." And would everybody in Japan help Dad out wherever they could. Well, we didn't know how to use that scroll but we did get, as a result of his being a chairman of the education section of [the] World Health Organization, a pass on any railroad train or boat within the Japanese empire. So we went out to Beijing. On our way, we stopped off in Kyoto where Grandma and Grandpa Richards had set up a scholarship program, as I mentioned, the Friend Peace Scholarship. The Richards also had helped fund a building for foreign students to stay in, called Hawai'i Ryo, or Hawai'i Place, at Doshisha University. So the Doshisha President, Hachiro Iwasa, and the dormitory manager, John Young, were invited by a friend, Mr. Shimamura, owner of the Dai-Maru Department Store. We all went over to Gifu one night for cormorant fishing. An incredible experience. The cormorants with the ring around their neck. [The cormorants] go catch a fish, come back, the fish would be extracted then go catch another fish.

And this great repast was set up for us. We ate fantastically on the boat. After a while, I looked at Mr. Shimamura who was not eating anymore and he told me, "I have lost all my enthusiasm." (MK laughs.)

We spent a couple of days in Doshisha then we took the train out to Shimonoseki and took a plane from there to Dairen. And then took the train up to Mukden and then turned around and went south to Tientsin. By this time, this is July of '37, Japan had invaded North China and they'd just taken Peking, which is now Beijing. And so—but with this pass, this scroll from the emperor, they allowed us to go on a troop train from Tientsin to Peking. It was an all-day trip. We were on this train with machine guns mounted on every roof and sandbags between every car. We arrived in Peking, there must have been only twenty or thirty other foreigners left in the city, because the Japanese had taken it just a week before. We could still hear the shooting out by the Great Wall. We stayed in the Wagon Lits Hotel and had the whole city to ourselves. We'd go into the Temple of Heaven, where the guards would forbid us entrance until we'd pull out the scroll and they would say, "Oh, come right in." We went to the Forbidden City and the Summer Palace. Had a great time. Somehow or other, I came down with some kind of flu bug and was totally constipated. Totally. So Dad decided it was time for us to leave. We took the train back and found a boat that would take us to Hakata. We arrived in Hakata, found a doctor who prescribed charcoal. Then we went over to Miyajima and stayed for about four or five days while I recuperated, got back to regularity. Went out to the shrine of Miyajima and all those marvelous places. And then came home from Yokohama on the *Empress of Canada*. Meantime, a Punahou friend, Betty Dyer, had been down in Shanghai on the *President Hoover*, and was bombed by the Japanese. So she was kind of shook up when we got back on the *Empress of Canada* to come back to Honolulu. Anyway, that was a great summer.

The third summer, I worked at Castle & Cooke [Ltd.], as a mail boy. At the time, there was a great dispute taking place between my Uncle Atherton Richards, who was president of Hawaiian Pine, and Frank Atherton, his uncle, who was the chairman of the board of Castle & Cooke. The board had gone ahead and hired Alexander Budge from the Mainland to be the president. At the time, Castle & Cooke was owned one-third by the Atherton Family, one-third by the Castle Family, and the balance was among other original officers and some shareholders. So Atherton felt that he should have been the president of Castle & Cooke and Frank didn't. They were

attacking each other in a newspaper. There was a small newspaper called *The Honolulu Spectator* and every week it'd come out with the latest blast from one or the other about this terrible shake-up at Castle & Cooke where the family was losing control, which it held for three generations. Anyway, here I was a new boy right in the middle of what was going on. Very interesting.

Alex Budge, the president, called me one day and said, "Now, young man. You're an employee of Castle & Cooke. You must be loyal to Castle & Cooke."

I said, "Yes sir. I'm loyal."

One day, Randolph Sevier, who was the vice-president Castle & Cooke in charge of their interest in Matson [Navigation Co.] and C & H, called me into his office. The buzzer rang and he called up an office boy. So I answered the buzzer and went in.

He said, "Young man, my wife—this corset is a little too small for my wife."

(Telephone rings. Taping stops, then resumes.)

RM: Corset. He said, "This is a little tight for my wife, she just bought it and she tried it on and it didn't work. Would you mind returning it to the Liberty House downtown?"

"Yes, sir."

So I carried this package containing a lady's corset. I had never been in the lingerie department of Liberty House before in my life.

(Laughter)

RM: So I'm wandering past the dresses and past the pants and I'm finally in the inner sanctum with this package which I'm returning, and all of a sudden there's my Mother. (MK laughs)

And she says, "Robert, what are you doing here?" (RM laughs.)

(Laughter)

RM: I explained.

WN: Did she believe you?

RM: Well, of course. I don't wear corsets. (Chuckles) Anyway, Castle & Cooke was very interesting. One of my buddies was reading Adam Smith's *The Wealth of Nations* and had bought a Modern Library version. His way of bookmarking the page he had just finished was to tear it out and put it in the wastebasket.

(Laughter)

RM: He knew exactly what to read next. I've never been able to emulate him but it was an interesting approach to Adam Smith, *The Wealth of Nations*.

That summer, was just a fantastic summer for social events. This is the summer of '41. I was going out with one of two young ladies who had come out from New York. They were both at Sarah Lawrence [College]. One of them was named Nancy Milbank and she later married Charlie

Spalding, my cousin on the Cooke side. And Nancy's friend, Rogie Lynch. One of the most beautiful, sweet, blue-eyed blonde honeys you have ever seen in your life. And we'd go dancing at the Royal [Hawaiian Hotel].

(Telephone rings. Taping stops, then resumes.)

WN: Here we go.

MK: We were in the summer of '41. Oops.

(Telephone rings. Taping stops, then resumes.)

MK: Okay, we're back to dancing.

RM: Dancing, all right, all right. Well, Nancy Spalding—Nancy Milbank was the sister of the person who sat next to me in many classes at Yale because M-I-D, Midkiff, M-I-L, Milbank. They were from a very wealthy family. The Milbanks of New York, investment bankers. Rogie later married Charles Dickey, the president of Scott Paper Company. Anyway, a great summer. But I remember going out, the four of us, to have cocktails and dinner with General Walter Short at Fort Shafter. He was the head of the army in Hawai'i. At that same party was Brenda Diana Duff Davies, one of the reigning debutantes of America at the time, a beautiful blonde young lady. Anyway, she was sitting on a couch, batting her eyeballs and we were all surrounding her.

General Short came by and so she looked up and she said, "Now, General, it looks like the Japanese might be attacking Hawai'i." This is September of '41.

"Oh, never," says he, "we have the navy flying 200 miles around the islands all the time, day and night. They'd never get through that screen."

"Oh wonderful," said this lady.

So when December 7 happened, I was sitting having lunch with my Mother in New Haven, with some close friends where she was then staying. Actually, this was December 7, at noon New Haven time. I was pontificating that I had heard from General Short, "There's no way." The headlines were very, very, worrisome. Then when we turned on the radio, the attack had taken place. Unfortunately the navy planes on Saturday night, at midnight, all closed down and went out for a party. Sunday morning, they were not out there.

MK: You know, before we get too far into the [19]40s, I want to keep you in the 1930s and I realize that we didn't have you talk about that one year that you were in New Haven as a child, when your father went away to complete his studies.

RM: Yeah.

MK: Can you speak on that?

RM: Right. I was---1933, 1934, Dad was president of Kamehameha Schools and he'd had—during his tenure—he had been given two sabbatical years. It's where teachers would all go off to refresh and renew themselves. So he decided that it was time for him to earn his Ph.D as a doctor of education. He was accepted at Yale School of Education and we moved. We found an apartment at 400 Whitney Avenue in New Haven. It turned out that in the apartment right next to us, Dr.—

later Sir Peter Buck and Lady Margaret Buck, was studying anthropology at Yale School of Anthropology. We became very close friends with them. I went to a public school for a few weeks and it was just junk. And so Dad and Mother decided to send me to a private school called Hamden Hall, which is at the end of the trolley line on Whitney Avenue, north of our apartment. So I commuted every morning. Eighth grade had only three people and we were in the same classroom with the seventh grade, which was about fourteen people. Very excellent school, just like Hanahau'oli. I remember we did a model of an ecosystem, from mountaintop to ocean. We built this clay and plaster of paris model with running water. We had little windmills and we had little water wheels and so on. Quite a project for an eighth grade class of three. Dad, in the meantime, was getting all the classes he could take at Yale in one year. If that was not enough, he had to learn German and French at the same time, which he had never spoken before and he passed these. He also took courses at Columbia and New York University to fill out all his courses. So he finished all his class work for a doctor of education in one year.

He didn't finish his thesis, we took off one spring vacation and drove down through the south to see educational programs at Hampton University and a couple of other Negro schools to see what might be learned for Kamehameha. [He wanted to observe] how they were teaching Black people and [see] whether he could learn anything. Then, while we were back there, he got the bad news that, because of the depression, Kamehameha [Schools] had decided to abolish the office of president and that the principal of [their] boys' school, Homer Barnes, had become the acting president and Father's job was gone. So he finished up his degree, working like a dog, and then came home and found a position as assistant secretary of the chamber of commerce and also secretary of the Juliette M. Atherton Trust and the Atherton Family Estate. He became very active in the community. One of his interesting experiences---when was this now?

END OF SIDE ONE

SIDE TWO

WN: Okay.

MK: We were just talking about that one year that you spent in New Haven going to public school, then Hamden Hall.

RM: Right.

MK: And I was wondering, you know, you being born and raised in the islands and then suddenly going to the Mainland and spending a whole year there. What did you think of that experience?

RM: Well, I had spent 1929, '30 with Father and Mother and my sister at Piedmont, California, where we---that was his first sabbatical year. He was taking some classes and courses. So this was really the second long trip. Well, as a young boy, you just went where you were supposed to. I made a lot of friends. I made a friend there named Hugh Bain, who is a real collector of Louis Armstrong, Cab Calloway, and Duke Ellington. We'd go out to his house and listen to those records and that got me involved in jazz. I've plowed through, I guess, hundreds of jazz records and classic jazz. I love it. I remember the first snow was out there. The first ice skating. We'd skate out on the reservoir right opposite Hamden Hall School. I wasn't very good. (Chuckles) But then I tried that. They didn't have athletics to speak of at that school.



I do recall one experience. We took Masayo Sakoeki, who was our second maid, with us and she was there the whole year. This is before she was married. And this was a whole new world for her. We drove---picked up our new La Salle in Vancouver, drove up the Bow River to Jasper, put the car on the train to go to Lake Louise and then Banff. And Dad attended a program of the Institute of Pacific Relations in the Banff Springs Hotel. He would attend [sessions] every morning, and I would go play with Betty. Then unfortunately Betty and Masayo both came down with chicken pox. So they were put in quarantine. The family had to pay for those nights at the Banff Springs Hotel at a non-group rate. And this is the beginning of the depression. It was very painful. But Dad and I would go out and explore, chase bears—look at bears—and play golf a little bit. Played around, we had a great time together.

Then when Betty and Masayo were able to leave the hotel, we drove down to Glacier National Park and Yellowstone National Park, where Dad had worked in a gold mine at one time in his youth, just north of Yellowstone. And then drove across the continent by way of Chicago to New Haven, where he found us an apartment. One cold morning, Masayo had washed her hair so she went outside to comb it out. Her long, Japanese hair came down almost to her knees. And of course, it froze.

(Laughter)

RM: She was so upset at the frozen tresses —came running back into the house. I remember.

MK: So being up in New Haven was a new experience, especially for your maid.

RM: Yeah, that's right.

MK: And then moving on, I know that you graduated from Punahou in 1938.

RM: Mm hmm.

MK: When you graduated what aspirations did you hold at that time?

RM: Oh, just to go to Yale. I guess this was the summer that I was at Castle & Cooke. I think it was the summer of '38. And we used to go to college on the *Lurline* and the *Matsonia*, and the school kids took over on that trip. Maybe out of 500 passengers, 300 were kids going to college or coming back in June. It was a wonderful experience, we all had lots of fun. I went east one year—freshman year and came home, freshman summer. Sophomore summer, the summer of '39, we were booked on a cruise to South America, and then he became a trustee of the Bishop Estate and had to wait in Honolulu to be sworn in. So I got to stay with my uncle and aunt, who lived in Flushing, Long Island. I was able to visit the New York World's Fair in Flushing, while waiting for them to come on to New York. For ten days, I visited the World's Fair. I really knew every exhibit there. One day a touring car drove up with a beautiful woman in it. It turned out to be a reigning film star called Vera Zorina. She was a movie star as well as an ice skater, I guess, and she looked me in the eyes and said, (RM speaks with a Russian accent) "What is that tall building over there?" And I turned around to look, but the car had driven away. So I never was able to communicate with her.

(Laughter)



RM: I had a very nice cousin, who was going to Vassar, Judy Martin. So she and I went one night to the fair and we explored all over and then we ended up lost, trying to find where the subway was to get back to New York.

And all of a sudden, "I know where we are," I said. "And that," pointing, "is the Russian pavilion." And the lights came on.

And she said, "Wow, you must have magical powers." The lights went off.

So I again said, "That's the Russian Pavilion," pointing. And they came on again. So I was really in with my cousin.

(Laughter)

RM: So in July '39, war was about to be declared. Germany was about to invade Poland. We got on this Holland America liner, the *Rotterdam*, and went down to Cuba and went down and stopped at La Guayra, Venezuela, went up to the capital, Caracas, and returned to the boat. Betty came down with the mumps this time. And we had to conceal her swelling and not let people look at her or she would have been quarantined. She had a lot of room service.

(Laughter)

RM: We sailed down as far as Buenos Aires. Stopping at Pernambuco, Brazil. I went up on a hill and for the first time, looking across at the Amazon—it's right near the mouth of the Amazon—the sun sank with a green flash. The entire western horizon, with all these miles and miles of green trees. An unearthly green light, I'll never forget that. We went down to Buenos Aires next and a great pianist, Alexander Bralowsky, was playing an all-Beethoven concert including a couple of the sonatas that I played.

So I told the family—the boat was leaving that evening to sail across the river to Uruguay, "Well, I'll just take a ferry and join you tomorrow." I wanted to hear all of his concert.

Well, the authorities wouldn't let the boat out of the harbor because not all the passengers were aboard. So pretty soon, the police showed up and came up to me while I was sitting all by myself there in the theater—huge concert hall and said, "You must come." And so we got on the boat so the boat could leave and we sailed over across the way to Montevideo.

Buenos Aires was a fantastic city at that time. There were many Germans and Italians who had been escaping from Hitler, Mussolini, and the war that was coming. It was a marvelous European city. Great food, great entertainment. Montevideo was also marvelous.

Then we sailed up to Rio on the way back. Admiral Norman Scott was the naval attaché and his son, Norman Scott, who later became president of Matson, was at home there for the summer. So Norman and I would go out for a couple of days and bodysurf at one of the beaches. It was Ipanema Beach, not Copacabana. And I caught the longest bodysurfing ride in my life. It must have been a quarter of a mile. The wave would build up and then down, build up and then down, a few kicks and you're in Heaven. Just incredible, 400 yards on one wave. It was wonderful. Pretty girls over there in those days. Then we got to New York and I went back to school.

Oh, and right after we were in Montevideo there were wireless reports that a German cruiser, heavy cruiser, was being chased by the British. And they had a big battle. They sank it right there

outside of Montevideo, just about fifty miles from where our ship was heading north. Then there was another German ship that was being chased and had to put into harbor and interned for the rest of the war by the British. It was quite exciting.

So I came home, freshman summer and junior summer, and that's not—sophomore summer.

MK: I was wondering, why Yale? And not somewhere else?

RM: Well, that's because Dad got his degree at Yale. But actually in our class, [Yale] class of '42, eight Hawai'i boys started. We had Thurston Twigg-Smith, Johnny Kneubuhl, Bob White, Charlie Spalding, John Galt, Charlie Judd, Page Anderson, and me. John Galt unfortunately was thrown out a few months after he entered Yale because he was such a rowdy boy. He later became a colonel in the air force and instructor at Colorado Springs, the Air Force Academy. But he was pretty wild.

If you'll recall, Henry Opukahaia ended up on the steps of chapel at Yale to tell of the need for missionaries in Hawai'i. That's where the catalyst for the missionary movement to Hawai'i happened, right there. There has always been a big contingent of *kama'āina* missionary families going back to Yale. Dad went there to get his doctor of education so it was quite logical that I would go there too. And it was very pleasant because we had some townie resident friends that [eased the transition] for a young boy far from home.

Yale was a great experience. As a result all these advanced placement classes, I had a great English teacher who gave me some super advice. One day, after classes, I went to his apartment and he said, "Now, Yale has some fantastic professors. You should experience them, get your required courses out of the way during your sophomore year and during junior and senior years, take from them." And they included a professor named Bronislaw Malinowski who is the founder of functional anthropology based on his being left in the Trobriand Isles during World War I. We had Wilbur Marshall Urban. He taught Judaism, Hellenism and the rise of Christianity, all of the mystical religions that occurred in Jesus's time. Fantastic experience, just turned me on. I had Charles Hemenway, who was one of the foremost Shakespeare authorities. I was one of eight students in the Shakespeare seminar for a whole year. I got a double A-plus in that seminar. I became an authority on why Shakespeare selected these particular stories to write a play about, which would be popular with the audiences and which would be a financial success. So I did a heck of a lot of historical research and what was going on in history when Queen Elizabeth and King James were active. Why were all the kings being assassinated? And it turned out that the greatest fear of Elizabeth with the Catholics was that she expected to be assassinated. That's why she had to stay single because they were—all the Catholic men tried to get her to be married and then get her out of this Church of England activity. Fascinating. And the story of all the Henrys, all the Tudors, played up and all the Yorkists, Richard the II and III, just villains, 'cause she was a Tudor. Fascinating. Anyway, I really enjoyed that course.

Ended up senior year with another great instructor, a guy named Chauncey Brewster Tinker. He was a guru if there ever was, on the nineteenth-century poets. The first semester was on the Romantic poets, Wordsworth, Coleridge, Shelley, Byron, and Keats. He ended up with the death of Keats, who was drowned off of a town in Italy, while sailing. When they finally pulled up his body, they found there in his breast pocket a volume of Shelley's poems. We all wept. Tinker was great. And then the second half was Browning, Tennyson, and the pre-Raphaelites. Just marvelous, inspiring. Junior year I had great trouble turning off the lights at one and two in the morning and going to sleep. My brain was going so fast. It was an inspirational place.

I majored in history. This advisor, Harry Rudin, was a world class authority on German colonial expansion. So one day we were talking and he said, “Bob, I’ve always been interested. Germany never got involved in Hawai‘i, but they took Samoa. How did Hawai‘i stay independent in the nineteenth century when every other piece of potentially colonial territory in the world was British or French, German, Dutch, Spanish? How come?”

When you think about it, in the nineteenth century only Hawai‘i, Japan, Thailand, Ethiopia, and maybe Afghanistan. China, yes and no—stayed out of being colored pink or blue or whatever their color on the map was for French or British. Amazing. So I spent part of my junior year and most of my senior year writing a thesis. In those days, if you wrote a thesis, you got the equivalent of two classes. I went down to Washington [D.C.], the [National] Archives, I went to the New York [City] Public Library, I went to Boston. They had a superb library of periodicals in the Yale Library. I had a permanent carrel up on the eighth floor. I was studying at the library. I assembled all this stuff on what was going on in Hawai‘i. I ended up in the Kalākaua period, primarily, because it was such a juicy period. You can’t believe how the businessmen here really couldn’t stand the way Kalākaua spent the kingdom’s money on all of his wild ideas. I concluded—and I wrote the thesis and got another double A-plus and ended up a junior Phi Beta Kappa.

I believe Hawai‘i stayed independent in the 19th century: first, because King Kamehameha the Great conquered in bloody battles, fantastic bloodshed, all the islands before Kaua‘i gave up. So there was no excuse for the British or French ships to land and restore order. He put down this law called, “The Law of the Splintered Paddle, *Māmalahoa*,” which said, “Let the old men, the old women, and the children lay down sleep in safety by the roadside.” The law stopped thieving. There was no thieving for generations in Hawai‘i because of the Law of the Splintered Paddle. Do you know that story?

MK: Mm hmm [yes].

RM: Kamehameha I was a great king. His son Kamehameha II was a very weak person, drinking like mad, but with a strong mother and stepmother. They could see that the *kapu* system was not working. All the foreign sinners would land and nothing would happen to them. If a Hawaiian stepped on the shadow of a king, he was dead. You can’t believe how bloody the *ali‘i* were in those days. Under the king’s homes, the corner posts had skulls underneath them of some conquered person. Anyway, when Kamehameha II broke the taboos by sitting down with the women and letting them eat bananas, which they were not supposed to do, nothing happened. Oh my God. Then the priests rose up and they had the big battle down there at Ke‘ei and Kamehameha’s forces won. He stayed on as king for a few years until he and his queen sailed off to England, offering the suzerainty of the kingdom to King George the III. But King George the III didn’t want Hawai‘i, he’d never heard of it. To hell with it. And they both died in England.

So Kamehameha the III was the boy king, I don’t think he was ten years old when he became king. He was living in Lahaina with his sister, Nahienaena. The missionaries thought that was terrible. My God, incest. But that was *pi‘opi‘o*, for the Hawaiian *ali‘i* where brother and sister have kept a pure line together. He grew up in Lahaina watching two aspects of Western civilization. The sailors and rum and anything goes, no law west of the Cape and he really enjoyed that. Drinking like anybody else. On the other hand, William Richards, a missionary saying, “Thou shalt not. If you’re going to be a king, you’ve got to lay down laws and abide by them.” And he finally realized that if he was going to keep this kingdom, he would have to become a constitutional monarch and set principles and practices. Now the interesting thing to me was, (this is the second reason why Hawai‘i stayed independent), the missionaries became the

established church. When they arrived in Hawai'i, the *kapu* system was gone and the missionaries became, with their Calvinist beliefs, "thou shalt not" a replacement for the taboo system. They brought reading and writing. The Hawaiians desperately felt that they had to be literate. So by the end---in one generation, 90 percent of all of the inhabitants of the islands could read and write the Hawaiian language. Hawai'i was the most literate place in the world, at the time. More than England or France.

Anyway, Dr. [Gerrit P.] Judd became advisor along with Rev. William Richards. Judd was able to play the British and the French off. When a French ship landed to take over the kingdom, (they had just taken over Tahiti) he persuaded the British to tell them to go away. Then the British landed. Admiral [Richard] Thomas got the word that Gladstone, the prime minister, didn't want to expand into Hawai'i. And so he restored the kingdom. "The life of the land is preserved in righteousness." But the idea of playing off the powers came from his advisors, including [Robert C.] Wyllie and Judd. So then the third reason; finally the powers mutually agreed; Britain, France, and America, that it was better to have Hawai'i independent than fall to one of the other powers. The standoff remained until Lili'uokalani tried to raise money by selling opium licenses and establishing a lottery and firing her cabinets. Businessmen just couldn't stand it anymore. That's not what you hear from the Hawaiian Studies department but that's what happened. Do the facts matter? No. But that's what the facts were.

Anyway, that was my thesis and I gave you the shortened version of that. I lost that volume, I lent it to somebody many years ago and it's gone. I have no idea. But it was quite thick and it's well documented. I had all kinds of letters from reviewers. . . .

WN: Does Yale have a copy of it?

RM: They may, I don't . . .

WN: Maybe you should write them and try to find out.

RM: [Nineteen] forty-two. It'd be interesting. They---I don't know. Senior in 1942. (Laughs) That's a hell of a long time ago.

WN: I don't know, but Yale has been around for some time.

RM: At any rate, that was my Yale experience. Graduated in '42, writing a thesis. I was so busy writing it, that my then girlfriend left me. (Chuckles) And I fell in love with another girl who got her Ph.D at Yale when she was twenty-three. A brilliant woman and a great pianist. We saw each other maybe two or three times at Yale and then when we were both in Washington D.C.

MK: Well, we can go to the National Institute of Public Affairs in this session.

RM: Yeah, that's where I'm headed now.

When I graduated from Yale, [World War II] had started and Thurston Twigg-Smith, who had gone into ROTC to help pay for his school was first to go. By the way, Twigg is a remarkable man. He went in on a scholarship, father was an artist and also a photographer for the HSPA [Hawaiian Sugar Planters' Association] and his mother, (the *Advertiser* was not a real wealthy paper in those days) sister of Lorrin Thurston. Twigg became head of the student suit pressing agency and then he became the printer for Jonathan Edwards College and then student printer for the college. He made more money at Yale than it cost him to go there. He also joined the ROTC

and he got some money that way. So he's always been an entrepreneur. You ought to do a verbal history of him sometime, he's a marvelous man, remarkable man. At any rate, what was my point?

MK: So . . .

RM: Oh yeah. He went into the army. My roommate, Johnny Kneubuhl, married Dotsy Schenck who was my high school, Punahou, girlfriend. She'd gone off to Wellesley and he and Dotsy got along very well for three years and so they were married just before our graduation. I was the best man at the wedding. Then right after graduation, Twigg married his nurse. He'd come down with chicken pox, gone to the hospital and fallen in love with a nurse. He was just about to go in the army, go overseas, and so he married Bessie. [He] came to see me, I was working away in my room, on my thesis. He comes in, sits down and tells me he's in love and going to get married.

I said, "Oh no. This is a wartime marriage. And---that's not right. How's she going to fit in Honolulu . . ." etc., etc., etc.

Well, he's a very strong person. He got married. And then they went off to the army and then he had an incredible career in the service. Anyway, everybody's going. Somehow or other, one of my advisors suggested that I should look into this National Institute of Public Affairs. I had no idea how I applied or why I applied, but I did. It was a Rockefeller Brothers-funded program. They took fifty very outstanding college seniors, graduates, and trained them for public administration. So we moved to Washington and lived in what had been the Brookings Institute. That was disbanded during the war. We were right on Lafayette Square, across from the White House. We were assigned to various federal departments that could use an intern, a bright young person whom they didn't have to pay. Interesting enough, we got down there on July 1, 1942 and there was no food service. We couldn't move into Brookings until the fifth of July and I was staying with some friends. I met a couple of the young boys who had known Mrs. Eleanor Roosevelt. They were both from Occidental College in Los Angeles and they had been up to the Roosevelt camp in Maine and met her. They spent the first night lying on newspapers in Lafayette Square, just outside the White House. And they called her up.

And they said, "Hey, we were at Campobello [Franklin Delano Roosevelt's summer home], were you?"

"Oh yes, of course."

"We don't have a place to stay."

"Oh," she said, "we have a bedroom in the White House."

So they went in and they spent two nights there. On July 4, 1942 we all assembled to have dinner with Eleanor in the White House and watch the fireworks and meet Franklin D. It was quite a beginning to the program. Wonderful boys and girls, great, great pals. We had a lovely time. I was assigned to the War Shipping Administration in the Recruitment and Manning Organization. This organization was to find the captains, engineers, able-bodied seamen, deck hands, whatever, for the merchant marines. We were losing four or five freighters a week in the Caribbean and up in Murmansk. It was terrible. The head of the organization was a public administration author named Marshall Dimock.



He called me and said, "Bob, I understand you've written a thesis. Why don't you go over to the National Archives and tell me how did they did it in World War I. We don't have to re-invent the wheel."

So I went over the Archives, got myself a carrel, and started working away, getting all the reports on how the War Shipping Board in World War I, found people to man the ships. Unions, hiring halls and so on. One day I was working away and the guy next to me, busy, busy, busy, says, "Would you like to join me at the Federal Trade Commission Cafeteria? It's the best cafeteria in Washington D.C."

"Why certainly, that would be a pleasure."

So we go over and it turns out that he is writing the bibliography of bibliographies of American history. (MK laughs.) He says, it gives him the sweep of history. And as he said, "sweep," (his eyeglasses were kind of thick) he walked into a light pole, broke his glasses, and I had to lead him back to the Archives while he called to get some glasses.

Anyway for a week, I'm typing away, day and night putting together a 200-page manuscript. You couldn't Xerox in those days, you had to type it. And recorded all the procedures that they had at various levels, with and without unions, and brought it back. It became the manual for recruitment for the War Shipping Administration. In the meantime, they had hired a former union agent. He set up all the union records, up and down America. The records of all people who had ever been an able-bodied seamen or an engineer or a captain. We got their addresses and somebody would call on them and then invite them as a patriotic duty to come back and be slaughtered by a submarine. We found hundreds that way.

So that was for one deferral from the military. In March of '43, my deferral was up. I had thought my Father was going to organize me into an OCS [Officer's Candidate School] program in the [U.S.] Army, so I went down to Camp Mead, Virginia as a draftee.

Is that where we end?

MK: Why don't we end here.

WN: Okay.

MK: Then we'll continue next time.

RM: Okay.

WN: Okay.

END OF INTERVIEW



Tape No. 33-3-3-99

ORAL HISTORY INTERVIEW

with

Robert Richards Midkiff (RM)

Honolulu, O'ahu

December 21, 1999

BY: Michi Kodama-Nishimoto (MK) and Warren Nishimoto (WN)

WN: This is an interview with Robert R. Midkiff on December 21, 1999 and we're at his home in Honolulu, O'ahu. The interviewers are Warren Nishimoto and Michiko Kodama-Nishimoto.

Okay, let's get started.

RM: Yeah.

MK: Okay, this is the third session with Mr. Robert Midkiff and we'll start with some follow-up questions dealing with the pre-World War II years in Hawai'i. You know, you mentioned last time that you worked at Waialua plantation, you worked at the cannery, and you also worked at Castle & Cooke [Ltd.] as a youth. And, you know, coming from a *kama'āina* family and working in the fields at Waialua [Agricultural Co.], and working in the cannery [Hawaiian Pineapple Co., Ltd.], we were wondering, why were you doing that?

RM: Well I was working at the cannery to make some money. I was working at Waialua 'cause it was the thing to do and then luckily, I found this marvelous opportunity to go with my father to Japan. So I only had to work there a month. It's hard, hard work.

MK: You know, when you say that working at Waialua was "the thing to do," what made you—or what caused you to work at Waialua?

RM: Well my Uncle John [Midkiff] was manager or assistant manager and so he could find me a job. The real problem is to find a job for a teenager. Later we're going to get to a wonderful story about why I got in the glass-bottom boat business. So all my children would have a place to work in the summers.

(Laughter)

RM: But nevertheless, our family always expected that we would go to work as part of our education and growing up. Dad thought it was important. Kamehameha Schools, in those days, followed an Antioch College model where you study part-time and you work part-time as part of your growing up experience. So I found the job at cannery. I went down, just applied, and I really wasn't fifteen at the time but they let me come in. Did we discuss this last time?

MK: Mm hmm. We spoke about your finger accident.

RM: Right, yeah. That was why, again, I only worked there about six weeks. Got out easy, got a car, Chevrolet roadster with the proceeds. The next summer I worked at Waialua and then we went to Japan. Dad attended a World Health Organization Conference as chairman of the education committee. Then the following year, I worked at Castle & Cooke [Ltd.] as a mail boy in a very exciting time when there was a big battle for the control of Castle & Cooke taking place between my Uncle Atherton Richards, who was then president of Dole Pineapple [Hawaiian Pineapple Co., Ltd.] and his uncle, Frank Atherton, who believed that the future of Castle & Cooke would best be served [with] professional hired managers instead of family managers. So I was right in that vortex of activities there.

MK: And then, one more question about that period. You know, when you were working at Waialua, how did the other workers there react to you and your cousin working there in the fields?

RM: Well, we did our share, so there's no problem. They just expected us to weed our set of lines and then they just accepted us, no problem. Uncle John Midkiff was very popular with the workers and they recognized that he was helping us, his son and his nephew.

MK: And I was wondering, pre-World War II Hawai'i was quite different from what Hawai'i is nowadays. From your perspective as a youth, now looking back, how would you describe pre-World War II Hawai'i to someone at that time?

RM: Well, I thought it was just gorgeous, wonderful. I did Boy Scouts, camping, hiking, and travelling to the neighbor islands by boat. We used to go on the *Humu'ula*. One Christmas vacation, my Uncle Atherton paid for Thurston Twigg-Smith, Fred Schaefer, John Loomis and me to spend a week on Hawai'i. We took my car on the *Humu'ula* to Māhukona, got off at about two in the morning, unloaded the car and then like fools, decided to rush up to Kamuela and spend the rest of the night up there instead of staying down at Māhukona in the warm air. By the time we got up to Kamuela, it was four in the morning. It was freezing and nothing was open. So finally when the cowboy cafeteria opened up, we went in and got some hot breakfast. We'd planned to spend one night on Mauna Kea at a cabin called Hale Pōhaku, which is about 10,000 feet up. Then we were to hike on to the top the next morning. We took my car, (we had a topographical map,) just as far as it would go and we struck out on foot. By this time the clouds had moved in and you couldn't see more than four feet. So we stretched out, each about 100 feet apart and just shouted to each other as we moved up the mountain. Finally we stumbled upon Hale Pōhaku.

Meantime, we didn't have anything unpacked in the car to eat for lunch on the road except a bag of apricots. We devoured those apricots. Well, when we got up to the cabin, Fred Schaefer set up the cooking fire and John Loomis and I walked back down to bring up the rest of the stuff up from the car. We found our way back in the dark with flashlights. We got back up, but we were just too mountain-sick to eat. So we fell into bed in our sleeping bags. The next morning, two rangers came by on horses with skis. They said, "Oh, come on up. We'll let you use our skis." So we forgot breakfast. We charged up the mountain, again no food. By the time we got up to the top, we were just famished. But that day, we skied and came back down and had a huge steak. Then Uncle Atherton had arranged for us to spend two nights at the Kona Inn. So we had a great end of our vacation. At Kailua, [we] put the car [on the boat] and sailed back to Honolulu. It was a very memorable and wonderful week.

We had lots of those trips. We walked into Kalalau on the Nāpali Coast. We would hike around the islands. We'd go to Pololū Valley on Hawai'i. Lots of exploring. It was a marvelous place to grow up; very, very friendly and very innocent. Everybody was just having fun. I was colonel of the ROTC [Reserve Officers' Training Corps] for Punahou and we'd go to the dances, I think I

mentioned this, at McKinley and Kamehameha and St. Louis, with the battalion sponsor, Peggy Kellerman, now Mrs. William Paty. They remain close friends of ours. Oh, we had a great time.

We used to work hard and studied hard. I had some great teachers at Punahou and I was able to enter many advanced placement courses when I got to Yale.

MK: And then, you know, when World War II started, what were your thoughts on this war with Japan?

RM: The summer of '41 that was the summer I was working at Castle & Cooke. There were lots of great parties. We were invited out in late August or early September to General [Walter C.] Short's quarters at Fort Shafter for a cocktail party for young people. The belle of the moment was debutante of the year named Brenda Diana Duff Frazier. She was a beautiful, beautiful young woman. All us young men were standing around where she was sitting. The general too came by. She batted her eyes and said, "General. Is there going to be a war? And are they going to attack Hawai'i?"

"Oh, no way," says the General. "We have the navy planes flying at 200 miles, twenty-four hours a day, they'll never get in."

So on December 7, in my senior year, my mother had come back to [the Mainland] to take my sister to Ethel Walker's School. We were having Sunday lunch in New Haven with some family friends. The headline in the *Herald Tribune* that morning was, "War Imminent."

I said, "Well, Hawai'i is safe. I just heard from General Short we have these planes flying 200 miles out from Hawai'i. And then about half an hour later, the radio said, "Pearl Harbor attacked." But it was a very popular war. Here, we'd been attacked treacherously, treacherously. The Japanese military had been planning it and we didn't know that. Everybody rallied around. Twigg was an officer in the Yale ROTC [Reserve Officers Training Corps], which helped pay for his tuition at Yale. I was working away on my thesis and was just young enough not to be drafted out of Yale, and able to finish up. And then I was offered this internship in public administration in Washington by the Rockefeller Brothers Fund. So I went down to Washington in July 1943. Did I discuss this all?

MK: Mm hmm [yes].

RM: Okay. We were very patriotic. So then did I discuss how I got into the army?

MK: Nope, that's the next thing.

RM: Having worked in the War Shipping Administration's Recruitment Manning Organization, at a high level, I thought, by golly, I think I'll go into the service. Now it's my turn. So I volunteered for the Army and reported to Camp Lee, Virginia. I figured my father was going to pull strings and I would get to OCS [Officer Candidate School] right away. Well, there I was at Camp Lee and it's the third day. We all fell out in front of the barracks at five o'clock in the morning. This sergeant called out the names of those people going to OCS. "Please report. Those people going to division so-and-so please report. Those people who're going to Army Specialized Training Program, please report." It's all pitch-black; we were at attention under these big poles with lights on them.

He said, "All right, now you men. How many of you men went to college?"

"Oh terrific. This is what's coming."

(Telephone rings. Taping stops, then resumes.)

WN: Okay.

RM: So the sergeant said, "All of you who went to college, please fall out under that light over there."

Terrific. This is the future. So we fell out under the light.

Then he says, "Now the rest of you guys, how many of you graduated from high school but didn't go to college? You high school graduates fall out with the college men. Now today, we're going to rake the parade ground absolutely straight. College men and high school graduates, report to the supply room for rakes. The rest of you guys who never graduated from high school, I want you to stand around and learn."

(Laughter)

WN: Things were so simple back then.

RM: Well, this was to give us a little humility. So I was there for about five, six days and then, all of a sudden, I did get orders to go to the Army personnel school at Washington and Jefferson College [in Pennsylvania]. The first day I arrived there, it was on a Sunday. I checked into the college dormitory. Then I went out for a walk to see what was up. I was a buck private. I saw these people in cars stopping in front of a church. This pretty girl got out. Gold hair, blue eyes. So I followed her into the church. It turned out to be a church social and I introduced myself, as from Honolulu. For the next three months, I learned all about personnel and had dates with this nice young lady. I've never seen her since.

Then I was ordered to go to the Boston Port of Embarkation, to go overseas to Europe. This was just before the Normandy invasion, but we didn't know that. So I ended up at the Army Base in South Boston, on this big [U.S.] Army pier. All the troops going through would have to embark on the transports and then sail off. I was ordered to join the Base Personnel Office with a colonel, a major, and a sergeant. By this time, I was a private first-class because I'd graduated from personnel school. And I did all the work. But every tenth day was KP [kitchen police]. We got to clean pots, no Brillo, but we cleaned them all with rags. Hardly any soap and times were tough. And we had to sweep and brush the floor. One day I was on my knees with two brushes in my hands and was scrubbing the floor of the dining room. I looked down at this beautiful pair of polished shoes. I looked up and there was my colonel with a cup of coffee.

He looks down at my head and says, "Interesting hobby you have there, Midkiff."

(Laughter)

RM: Well finally, the first assignment came through for OCS. So I took the [orders] in to see the colonel. I said, "Sir. Would it be all right if I applied?"

He looked up and said, "Sure, you've done a good job. Be glad to recommend you."

But, before that happened—I skipped something. We received orders to find 200 cooks and bakers out of the 20,000 unassigned men that were waiting in the various replacement-training

depots outside of Boston. Two hundred cooks and bakers because two divisions were coming through and were to get their shots, pick up their equipment and go on to England. The Army used the McBee Key-sort System. I was to locate with a needle through holes punched on the edges of the MOS 50 personnel cards, 200 cooks and bakers. A cook's number was four hundred and something. To find a baker you turned the card sideways and pushed another number with the needle and the cards dropped down. This was the early IBM system. I found about 140 people who were cooks and/or bakers. Being a Yale man, I decided to go carefully through each card to find sixty more. So I pored through, front and back, and looked for anybody that had a cooking experience. I found some pharmacists, I found some embalmers. I found some guys named Cook, some guys named Baker . . .

(Laughter)

RM: . . . and I'm still short. So I filled in with thirteen Harvard men.

(Laughter)

WN: That's the bottom line.

RM: Yeah. So the army had cooks and bakers. Then I went to OCS. And the first School that came through was for Military Police. Well, what the heck. Let's go to Officers Candidate School!

So that was in Camp Custer, in Battle Creek, Michigan. I arrived there early in December 1943. Because Michigan is cold as heck in December, I soon came down with the flu. Then they cancelled the OCS class and I thought, oh my God, what am I doing here in the winter? No OCS class. I was as blue as can be and went into the infirmary. Then two days before New Year's Eve, the ward door was flung open and a grand dame swept in with her fur coat and said, "Which is Private Midkiff."

Oh. I raised my eyebrows, "It's me."

"Get up, get up. I'm having a party on New Year's Eve and you're invited."

"Oh, wonderful," said I. "How'd you find me?"

She said, "One of your classmates at Yale from Chicago," a [U.S.] Navy lieutenant by this time, "wrote to tell me that his good friend was at Camp Custer and would I please take care of him. I'm taking care of you. Get up."

So I recovered. (Chuckles)

WN: Who was this woman?

RM: Her name was Mrs. Ordway and her husband ran a family steel mill in Battle Creek. And she was having a grand New Year's party. So I get dressed in my private first-class uniform and went to this great house in Battle Creek. I was the only enlisted person there, all local people or officers from the Camp. Colonels, majors, whatever. Anyway, she had two daughters and I met both of them. Very, very, nice girls. But the door swept open and a truly gorgeous girl enters the room.

And, "Wow," I said, "that is the most beautiful woman I ever saw."

So I started dancing, I cut in on her and other people cut in and cut in. Finally, I said, "You know. I want to see you again. How can I ever see you?"

She looked me in the eyes and said, "You like to ice skate?"

"Oh, I love it," said I. (I'd hardly ice-skated in my life.)

(Laughter)

RM: So she said, "Well, fine."

WN: Did she know you were from Hawai'i?

RM: Yeah, yeah.

WN: Okay.

RM: She knew I had a letter of introduction from Ed Cummings, whose father was chairman of Continental Bank and was well connected. So she said, "Well, I'll come by tomorrow afternoon in Daddy's car with Daddy's ice skates and we'll go out and find a frozen lake to go ice skating on."

So there I was. I put on his Daddy's skates, and you know, I used to roller skate, but ice skates are only one single blade. And your ankles go like that. So I was (makes scraping noise).

She said, "Don't you know how?"

I said, "I never skated in my life."

Well, she said, "Hang on to me."

So I hung on to her.

(Laughter)

RM: I was there for six months. It was great dating this lovely girl. I've never seen her since. I had a wonderful [time]---and I have had some marvelous lady friends. Again, we were all very innocent. Just pleasant companionship but every one of them has given me something to make life more interesting and delightful.

Then from there, a Military Government School opened up at the University of Virginia in Charlottesville. The military police training was appropriate for that so I was assigned to Charlottesville, Virginia. By this time I was a Second Lieutenant, AUS. I had graduated from OCS. At Charlottesville, we had courses on the lessons learned from Europe, in Italy, and France—military government and so on. Policies and procedures! Then I was sent on to one of six Civil Affairs Training Schools, this one located on the Yale Campus. I was back to Yale as a Japanese-language student!

We had a Dr. Bernard Bloch as our linguist. We would spend four hours a day with a Japanese *sensei*, six of us in a small class, learning pronunciation, how to hold your teeth, and how to hold your tongue to make proper sounds. Then we'd have four hours a day outside, memorizing and then four hours a day of culture and history lectures. It was a very intensive course. We lived in



the Yale Graduate School. We ate at The Fence Club, which is a very exclusive club when Yale is operating. And so School for six months. By this time we're into late '44, learning Japanese. Then when we graduated from Yale CAT School, with two other officers, we drove across the continent. We had what is called, "a delay in service," to get to our next post. Every morning we'd get up at 4:30, drive for an hour and a half, find a place to have breakfast and then drive another six hours, to stop about 2:00 in the afternoon at a motel near a golf course. Then we'd we played golf across the continent. We arrived on the West Coast in January '45. We still had time enough to spend four days at Laguna Beach.

When we arrived there we looked for a place to live. The lady at the USO [United Service Organizations] says, "Well, we're really crowded. But I have a little loft. Would you mind staying at my loft right on the water?"

So we stayed there for four days before we went up to the Presidio, Monterey. There I was in this herd of colonels, and captains, and majors. All in military garb getting ready to go to Japan. One of my old friends was on the staff there. When he found out I was there, he called me up and placed me in charge of Unit Training. I was teaching these colonels how to bivouac in a hostile country. Every week we'd take a group of colonels and majors and we'd go out in Fort Ord. We'd set up tents and then we'd run exercises. My job was to point out the poison oak and the poison ivy. "Don't touch that." Then we set up the mess tent and then we'd all go charging off around California. We'd come into Salinas, assuming that it had just been recaptured and set up a military government. Or we'd go to another town around there. Once again, I was very fortunate, I had a nice aunt, who had been married to my Uncle Earl Midkiff and who lived in Carmel. When I called her up, she said, "Oh, you must come to dinner."

"Oh fine."

So I got a taxi and went from the Presidio over to Carmel. And there she had invited a young lady friend, a beautiful redheaded woman, Patsy Shepherd.

Patsy said, "Well, I'll drive you back after dinner to the Presidio. If you would like to take me out, I'll be delighted to go out with you. But you must promise that, after you meet my sister, Geri, you must never take her out. If you do, you're finished with me."

(Laughter)

RM: So I kept my promise. Patsy would show up about 3:00 in the afternoon, a couple of afternoons a week, in her car and I'd leave the bivouac training, go with her and we would play nine holes of golf where she lived. (MK laughs.) It was a nice life. The war was not that tough.

WN: I was wondering, you know your classmates at Yale, what kind of background did they come from?

RM: Everywhere. I guess there were 800 of us in the Class of 1942. Some of us are still very close. The war brought us all together. We have reunions at Yale every five years and then there are mini-reunions at least once a year. We have gone to Nantucket; they have come to Honolulu. Forty or fifty of them showed up with their wives. We have gone to Colorado Springs. These are men that we knew at Yale and were in the service together. Most of them were in the marines or the navy. Twigg went in the army as a field artillery officer because of his ROTC.

I wasn't a fraternity person at Yale. I was really concentrating on the books. But, through Father, [I knew] the headmaster of Pierson College, to which Johnny Kneubuhl and I were assigned for our last three years. [The headmaster] Dr. Arnold Wolfers had gotten his doctorate at Yale at the same time as my father. He was a Swiss gentleman with an educated, articulate, Swiss wife. They would have Sunday soirees and I would attend quite often to be social and enjoy the other side of college life as opposed to the cafeteria. Very pleasant.

So Johnny Kneubuhl and I ended up in what's called, "The Slave Quarters," at Pierson. This was an incredible little courtyard with six rooms. Each of these suites had two separate bedrooms, a living room with a fireplace, and a private bathroom. We had an upright piano. (Six inhabitants enjoy that suite today.) We stretched a rope with a pulley over to the bar at Zeta Psi; I wasn't a member of that fraternity, but my friends said if I needed a beer at two in the afternoon or ten at night or whatever, I could bang on the window and the bartender would open up.

(Laughter)

WN: Now this is—this is your undergraduate years at Yale. Well, my question is more geared toward Japanese studies at Yale and where your classmates were from.

RM: Oh, I see, yeah. Well, they were just army and navy officers who had been through military government school. I had two close army friends, one was a Captain Ralph Metcalf and the other was Lieutenant John Jordan. Again, I haven't seen either of them since the war but at the time we were really close friends. I was pretty good at spoken Japanese in the class, so I was kind of the leader of the group. Every bit of Japanese I had learned in Hawai'i I had forgotten—I meant I was past my Honolulu Japanese after day one. It was a very intense program and you just had to memorize, memorize.

WN: Were you the only person from Hawai'i?

RM: Yeah. In that particular group.

WN: I'm wondering, you know, being from Hawai'i, you had some exposure to Japanese culture and Japanese people and so forth. Did you feel that you were in a unique situation with your previous background as compared to the others?

RM: I think so. I was more used to the *Nihonjin*. Although Hawaiian Japanese is different from Japanese, it was easy for me after French and Latin at Punahou and Yale. I already knew quite a bit of Japanese culture and history after my trip to Japan with Father. The Civil Affairs Training Program taught us strictly oral Japanese, no reading or writing. They said that if you ever find something and needed to read it, there would be an interpreter around to help you out. But the advantage of oral is that the interpreters that are assigned to you are not always that good, and you can listen to them. We would pretend we didn't know any Japanese. You can listen to what the interpreter and the Japanese speaker would be saying. You could pull them back and reshape what they were saying. It was very, very useful. Later, when I was in the military government in Korea,---that's a long story, let's get to that later.

MK: Let's get you back to the Presidio. You were training units on how to set up a bivouac.

RM: Stop.

(Taping stops, then resumes.)

WN: I just wanted to ask you a question about, you know the fact that you're the only person from Hawai'i. You were probably one of the very, probably had—the only one that had some contact with Japanese and you know, your maid for example, you traveled with her and she traveled with you. I was wondering, did you feel any kind of—a little more sympathy toward them . . . ?

RM: Oh yes, of course.

WN: . . . than the others?

RM: Yeah, you know, war is not made by the people. War is made by some characters that operate at top. And in the Japanese case, it was a very militaristic group of samurai, both army and navy. Military government is supposed to follow on the advancing forces and bring back order and maintain food and supplies and help people get back to life again. So it was a pretty positive mission. I was so happy when we dropped the atom bombs. I just thought that was the greatest thing that ever happened because I knew we'd just added to the rooms at Tripler Hospital for 100,000 war-wounded. I was out on the fields at Fort Ord when we heard about the bomb at Hiroshima.

I said, "This is the end of the war. I think that's good."

They'd already had peace in Europe and everybody was getting assembled for this huge invasion of Japan. I knew of the samurai tradition of just dying instead of surrendering. Anyway, the next day after the bomb was dropped in Hiroshima my orders came to proceed to Manila. The route went through Honolulu so I spent actually twelve hours in Hawai'i during the entire war. I ended up in Manila while the fighting was still going. We landed south of Manila. We bivouacked in a downtown building in Manila. You could hear the firing all around us. I went to a concert, with nothing else to do, and by golly, a bunch of Filipino violinists were each playing the solos from Mendelssohn's violin concerto by themselves, just showing off.

(Laughter)

RM: Life springs up again. Then we flew from Manila to Okinawa. We landed there just as a huge hurricane hit Okinawa. Spent two days underneath a tarpaulin with the wind blowing over us. And then landed in Atsugi in Japan a week after [General Douglas] MacArthur. I was assigned to a bunk in the NYK office building across from the Emperor's Palace. A friend of mine who had been at the Presidio at Monterey said, "You know, I'm aide to a general who's the military governor of Japan and I want to see more action in Korea. Would you like to take my place?"

"Fine."

So I became aide to General William Crist, a regular army brigadier general. He had been assigned to Peking, or Beijing, before World War II, for five years. He was regular army and he was theoretically the military governor of Japan underneath MacArthur. Well, we just passed papers around and round. The papers would go up to MacArthur and they'd come down for corrections. It really was a great waste of time. MacArthur was going to run Japan his way, which was through the emperor and not through military government. In October of '45 the general and I flew out to Seoul and Korea was a scene of mass confusion. The State Department and MacArthur had set up the parameters for Japan. Americans were not to come in and be the military governors after all. We were to look around, advise, and if things weren't going right, we

were to pass the word up to the military chain of command to the Eighth Army, General Eichelberger and then, of course, to MacArthur. Then he would tell the emperor's people and the orders would come back down to the local officials and they'd change something. We were not supposed to give a direct order, that's what our orders were. But we did; of course, Americans can't just sit still. But that was the advantage of my Japanese. I could straighten out situations easily in the field before they got to be a mess.

After passing all these papers at Headquarters and going to Seoul, I found the same orders for Korea that [were in effect in] Japan. Well, the Provisional Government of Korea had already thrown the Japanese officials out and had set up their own provisional governments. We were very much afraid, and I think we were right, that that government really was run from Russia. The Communist League of Koreans controlled the provisional governments. The Russian Army was stopped thirty miles north of Seoul at the thirty-eight degree parallel.

So we tossed out the provisional government and put the Japanese back in. The only things that were functioning when I got there were the brewery and the racetrack. (Chuckles) Everything else was a mess. What you had then was—millions of the Japanese streaming through and out of Korea at the time. All they could take was what ever they could carry. So all those precious heirlooms, ivory, kimonos, whatever, were for sale for nothing. And my general used me to translate. He was good at Chinese negotiating.

"No."

He would enter a shop and look around. Then he would walk out. He would send me back in. "Maybe."

Then I'd speak in Japanese. So he brought barracks bags full of stuff to take back to America. Heirlooms. I went back to Tokyo with him and passed more papers. One morning I'm polishing his desk at 8:00, we'd been working until midnight, passing these papers around and getting nowhere.

He comes in, hangs up his hat, and says, "Midkiff, how are you feeling?"

"Oh, fairly well, sir."

"Don't you feel better than that?"

I said, "Well, I don't like to commit myself so early in the morning, sir."

"Midkiff, you've been working too hard. You ought to take a half day off."

"Oh, I'd like to. I've got lot of things to do. Can I take it tomorrow?"

"Oh no, not tomorrow. Wait till we shake down."

I never got my half-day off. But I had hoped . . . Well, we had this Friend Peace Scholarship that Grandpa Richards had set up. A number of these scholars and their children were in Tokyo and I could . . .

(Someone enters the room. Taping stops, then resumes.)

MK: You were talking about your---the family scholarship at Doshisha.

RM: Doshisha University. Many of them had moved to Tokyo. The scholarship students would come to go to Mid-Pacific [Institute]. Many lived with Grandma and Grandpa and then they would go on to someplace on the Mainland. And from Hawai'i, Shunzo Sakamaki, people like that, were scholars. They'd go to usually Doshisha or sometimes Keio or Waseda. Chuck Mau, for example, went to Yenching University. So there would be two from Hawai'i. One a Japanese, one a Chinese to go back and two, one from China, one from Japan, would come to Hawai'i on this—the first privately funded international scholarship program after the Boxer Rebellion.

Anyway, I had lots of those friends whom I had met at Grandma's. I couldn't get to see them, too busy passing papers, wasting time. Anyway finally in, let's see now—I guess December—I said, "You know, it's time for me to get out of Tokyo—get away. Get out to Seoul, Korea again." The general released me and I took a train down to Shimonoseki and took a ferry, at that time to Inchon and reported for duty at the United States Army Military Government in Korea. USAMGIK.

Again, I had some friends, one of whom had been with me in the Charlottesville military government school. He'd gone to Harvard while I was at Yale, but we got to know each other very well at Charlottesville. One of my instructors at the Presidio, Monterey, was there in Korea. The two headed up a team to run what was called the Repatriation Centers. We had six camps located just south of the thirty-eighth degree parallel to receive the 2 million Japanese that had been in North China, Manchuria, and Korea. These people had walked all the way south. They had been raped and robbed on the way by Russians and the North Koreans, nasty people. They straggled across this snow-covered boundary, up to our big warehouses on the hills, where we doused them with DDT powder, and gave them hot baths, and clean clothes. We grouped them by their *kens* in Japan and sent them back. They were so relieved to find safety; so happy. It was a daily emotional experience.

On New Year's Day of '46, there was a general strike in Korea and nothing was going on. I met with another lieutenant. We thought we'd drive up and see how far north we could penetrate. So we drove up to the border and spent the night in a camp with a very nice, young American lieutenant who was born in Czechoslovakia. He had fought under [General George] Patton as far as Czechoslovakia and then was reassigned to Korea. Rather unhappy. Anyway, there he was camped on the border.

We said, "Well, let's go try it. Let's go see what we can do."

We spent the night on a Korean floor, which is heated from below so you got cooked on one side and froze on the top. Early the next morning, we got in his jeep and started north. He explained to the Russian border guards, (he could speak Russian), that we had heard that there was a whole group of Japanese refugees who were assembled about 40 miles north and we had to go up and set up the procedures for them to escape. So they let us through. We got up north about 30 miles behind the lines before some Russian patrol picked us up and said, "What the hell are you doing up here?" Three American lieutenants, you know. So they took us to their headquarters where the Russian general was delighted to see somebody from America. We all had tea and discussed the Japanese. He sent the word out. Two hours later he said, "No, we don't have any large group of Japanese here." So they sent us back south of the border again. By this time, it was January 2.

I wrote a report of the trip for military government and gave my observations on what was going on north of the border. The report went from military government up to Eighth Army, to



MacArthur, to Washington, back to General Richardson in Hawai'i who called up my father and said, "This is what your son is doing." (Laughs)

WN: And what was his reaction?

RM: Oh. Adventure.

(Laughter)

WN: So when you say north, you're talking about north of the thirty-eighth.

RM: Yeah, right. Oh, about thirty-five miles north of the thirty-eighth, behind the North Korean lines. We might be the only . . .

WN: You might be the only person I know who's been that far.

RM: Right. Well, another interesting experience, shortly after New Year's Day. USAMGIK figured it was time for military government to meet the intelligentsia and elite of Seoul. We had taken a Japanese building, which we turned into an officers' club. We invited Korean college professors and others. They all arrived for a party at 5:00 in the afternoon. Beautiful Korean clothes, yellow, blue, white, and black. Horsehair hats and so on, very handsome group. And we served drinks and had *pūpūs*. The drinks were supposedly only fruit juices but somebody had put medical alcohol in the fruit juice and all the Koreans turned red. Red. I mingled with one group of Koreans and introduced myself. They're all standing, talking. Four or five men and several women. I said, "Good evening, Dr. Kim." And every one of them shook my hand.

(Laughter)

RM: The only way you could rise in Korean society under Japanese domination was through the University. There were no executive jobs for Koreans. The Japanese ran everything. It was their empire and so even the engineers on the trains were Japanese. The firemen were Koreans. The Koreans had not been trained for any managerial activity at all. And Seoul was a mess, it really was a mess 'cause when the Japanese left, they were not experienced or equipped to do anything except look dignified and apologize. It was fascinating.

I ran those repatriation camps for two months. I went over the east coast, over the mountains, to see how things were going. That was kind of rugged.

Then about February, the word came back from Tokyo that it was time for somebody from Korea to come back and see what could be done about the Koreans in Japan. They were raising hell. The Koreans had been brought to Japan during the war to replace the young Japanese men who went overseas. The Koreans figured that the war was over and Japan had been defeated. Since Korea was now an ally of the Americans there was no Japanese law controlling them. So they all were raising hell. There were many gangs. The League of Koreans, residing in Japan, was run from North Korea and Russia. And the Russians, of course, were fomenting problems. MacArthur had frozen them out of joint control of Japan. They were supposedly one of the—like Berlin, occupying forces. They were supposed to have a full one-quarter of Japan to run and MacArthur wouldn't let them do that.

So I was picked, along with another lieutenant, to move back to Japan. Each of us had eight young Koreans, university graduates who wanted a career in foreign affairs. They spoke Japanese



and Korean and fair English. Very bright boys. I moved to Fukuoka and my friend moved to Senzaki, which is on Honshu. The reason why the Koreans had stopped returning to Korea was that travel conditions were bad. The reports were that the Japanese soldiers who were running this repatriation treated returnees like cattle. So I was quartered in Hakata with a friend from Honolulu—I can see Major Victor Aitken who had been active in the FBI [Federal Bureau of Investigation] in Hawai'i before he was called up—in Hawai'i. I had gone to school with one of his sons, Bob Aitken.

END OF SIDE ONE

SIDE TWO

WN: Okay. Go down to the docks. . . .

RM: On the docks of Fukuoka a couple of U.S. Marines had supervised the Japanese military organize. They organized Korean returnees to clean up the floors and latrines and make the docks a habitable area. The Japanese treated Koreans like dirt and they didn't want to do anything to help them. So the Japanese would make the people leaving—the returnees—spend some time sprucing up the place. Then we worked our way back up the railroad toward Tokyo, making sure that the trains were treating the Koreans better. Then I would go visit the coal mines with a group of two of my boys at a time and make speeches about the glories of Korea. No bombing, no fires, the land of milk and honey.

"Go back, it's time to go back. The new country is a free country and not too radical."

And out of 2 million Koreans residing in Japan, I think over a million Koreans returned at that time. Likewise we met many of the local officers of the League of Koreans residing in Japan and explained that really the future for Korea—South Korea—was with America and that they should vote out their new leaders who were North Koreans. And gradually, we traveled as far up as Hokkaido, Tokyo, Osaka, Kobe, and the Koreans responded. I got a letter of commendation and a medal from the U.S. Army for these anti-subversive activities. I've never seen any of my Korean boys since then. One of them, we had to leave in a Japanese hospital. He had tuberculosis. I did get some cards from him and then I didn't hear anything further. I've never been back to Korea. It'd be interesting to see what happened to those people. I don't have their names anymore. But anyway, that was a very fascinating time of my life.

And now we are in 1946. I was twenty-five years old, single, speaking Japanese. It was wonderful. A great time to be a young man in a country where C-rations or cigarettes could get you anything. One of the interesting experiences, I was able to go back to Tokyo and look up some of the Friend Peace scholars. One of them was Miss Tsuyuko Ayusawa. Her father was one of the founders of Japan International Christian University. So one weekend, I drove the Ayusawa Family up to Karuizawa in my jeep. We had a great time. There was a whole group of young Japanese ladies who didn't like the macho Japanese society and so they got involved with young Vichy French and Germans and Italians who were in Japan during the war. And they were quite a Bohemian group of people.

The husband of one of the group had been as an officer of the Japanese army for maybe seven years. Their home had not been bombed or burnt and it was kind of our headquarters. One day she got the word that her husband was going to be repatriated from China and arrive in Tokyo on

such and such a train. So I sent my driver and jeep to go pick him up. I arrived there beforehand with food from the commissary and beer. There was a party for about twenty of us. Finally the jeep drives up and the husband gets out, comes in, bows to everybody, kisses his wife, and shakes our hands. And then he goes to the closet underneath the stairs, opens it up, rummages around inside, finds his cello, pulls out the cello and starts tuning and playing a little bit. It was a moving experience.

WN: Wow.

RM: Yeah. Well, that was the kind of life I was living at that time. It was fun.

MK: He didn't think it was odd to come back to a household with all these *gaijin* there?

RM: (Chuckles) Well, not too many. There were only two of us *gaijin*. The rest were Japanese ladies and their friends. Anyway, he was very pleased to come back. (WN laughs.) I don't know if he was just astounded. The thing he had missed besides his wife was his cello.

(Laughter)

WN: For seven years.

RM: Yeah.

WN: Wow.

RM: Fascinating. We all had very many interesting and pleasant experiences. The. . .

MK: So you were involved in having the Koreans in Japan resettled. What other work did you do?

RM: Well, that's about it. (Chuckles)

So finally in July of '46 I was released. I had many overseas double points, they counted all my time in the United States as overseas from Hawai'i. You could leave service after you amassed enough points. So I was able to leave.

I had to go back to Korea to check out and with me was my assistant. Ed Wagner was a bright, young Harvard graduate, an enlisted man, with beautiful Japanese language facility. He had studied Japanese at Harvard as an undergraduate, and he could read and write. We took the train down to Hakata. By this time, the American LSTs were being run by Japanese navy types, bringing back the Japanese from North China and Shanghai and Hong Kong and Korea. And then the LSTs would shuttle back. We found an LST that was going to Pusan, Korea. The captain of the LST, a Japanese, loved astronomy. And my friend, Ed Wagner also loved the stars. And so we steamed on a beautiful clear July night, no moon, with a hundred million stars up in the sky. Ed and the Japanese skipper would discuss the Japanese names for the constellations and the Japanese stories. And then Ed would point at a constellation and give the Greek and the Roman names for the constellations. It was a great evening.

We arrived in Pusan, on July 4, and found one of my real Army buddies, a regular army colonel in charge of the USAMGIK detachment. I had gotten to know him at the Military Government School. We had an interesting experience. Before we left Manila for Okinawa, we drove out to the quartermaster camp to get our personal clothing and equipment to take up into Japan. And this

regular army colonel noticed that there was a muddy area in which they were using stacks of twelve Eisenhower jackets as stepping-stones. You'd walk upon these stacks of Eisenhower jackets.

And he says, "You know, this is terrible."

Well, I figured, since they had no controls the thing for me to do was to pick up a couple of barracks bags and load 'em with every thing. So I loaded up not only summer stuff, but also winter stuff. I had long johns and ODs [olive drab uniforms] as well as khaki uniforms. The barracks bags were heavy but I got 'em up to Okinawa and then got 'em up to Tokyo. Later I toted them to Korea. When winter really struck, the army issued an order that everybody had to be in uniform and all the uniform that everybody had was khakis. They didn't have the wool ODs. So I put all that OD stuff on underneath and wore the summer khakis outside.

Oh, there is an incredible story that I almost forgot. We got word that a group of fifty Japanese had taken the wrong turn coming down from the North. The thirty-eighth degree parallel cuts across the Onjin Peninsula and then the parallel goes over the head of a bay and comes back on land on the main Korean peninsula. And these people, instead of staying north of the water, had gone south on the peninsula and were stranded in South Korea. They didn't want to go back past the Russians and the Koreans again. So there they were. Stuck. So I drove a jeep past Panmunjom with an interpreter and found the group on the tip of the peninsula. I arranged [transport] with some Korean fisherman. We would pay the fisherman when they brought this gang up the Han River to Seoul. And I returned to Seoul to set up to receive them. It would take about two days by the little boats. Well, the morning they were supposed to arrive, the weather had turned very cold, something like ten below zero. And the river froze. I went to the car park to get a car and every vehicle was frozen up. Except there was one command car that had been running all night. I commandeered that, said, "I have these people I have got to rescue." They let me have the car and of course, it was just as cold as it can be. The ice froze up the windshield, so I had to drive around with the windshield lowered. (Chuckles) I drove down the river as far as my body could stand it and then I came back to the motor pool. The river was frozen solid. I turned in the car and a day later, the people showed up. They had motored up the river until the fishermen said, "That's it." They were pushed out onto the ice. The refugees walked across the ice to the shore, found the railroad track and walked down to Seoul where we met them, half frozen. I met a lot of Russians in Panmunjom as we drove north across the border and explained what I was doing. They let us through and then let us come back again.

MK: Incredible.

WN: Well, it's 11:15.

MK: Shall we?

WN: Well I just want to ask you one question, you know, as the war was ending and you were returning to Hawai'i, what would you say you learned from the war? How different---Were you a different person when you came back?

RM: Oh yeah. I grew up, really grew up. I became more self-reliant and also discovered that you don't have to follow every rule. (Chuckles) And that Heaven helps those who help themselves.

WN: Ah, interesting.

RM: Probably ruined my character.

(Laughter)

WN: Well, let's just say you lost some naivete.

RM: Yeah. So I've always been willing to cut a few corners, to accomplish my goals, which, of course, were always laudable goals. The Army made me a much better salesman, I think.

(Laughter)

RM: It was a wonderful experience. Let me just finish this up this way. I arrived back in Honolulu in August '46 and applied for Yale Law School, Harvard Business School, and then went back East. It was September, and I was too late to enter any class until the following February. I was accepted at three places. One of my old friends gave me a job offer in Washington again. I had a choice of Yale Law, Harvard Business School, or the job offer in Washington.

While I was in Korea—I'd received a letter from Gordie, the girlfriend to whom I was engaged when I went overseas. I had given her my Mother's diamond engagement ring, which was given to Mother by my Father. She wrote me to say she'd fallen in love with another man and she returned the engagement ring. She did marry happily and we have been good friends until she died of cancer recently. That lovely engagement ring I later gave to Evanita Sumner before we married in June 1948.

When I returned to Washington I called on Gordie's college roommate to take her out for dinner. While waiting for this young woman to get ready to go out I talked with her father, retired Major General Claude Herron, who had been the military commander at Fort Shafter before General Short. My date [Herron's daughter] lives today in the Arcadia Rest Home. Her name is Jimmy Ripple and she played violin in the symphony for years. So while I was waiting for her to get ready to go out for dinner, the general quizzed me, "Well, young man, what are you going to do now that you're out of the service?"

I said, "Well I've got these three choices. I don't know what I'm going to do."

Then he said, "Well young man, you'll make three great decisions in your life. You will decide whom you will marry, but your wife will have a lot to say about that. You will decide what church you'll attend, and your wife will have a lot to say about that. But you can decide where you want to live, and what you do when you get there is luck, what's available when you're looking." And I figured, this General is profound! I don't want to go to Yale or Harvard or Washington. I want to return to my home. Very profound! So I chucked them all, came back to Honolulu and looked for a job. And on the way back, I stopped in Cambridge, Mass., at my sister Betty's suggestion, to visit Evanita Sumner, who was then teaching at Shady Hill School.

WN: Okay, we'll end it here.

END OF INTERVIEW

Tape Nos. 33-4-4-00 and 33-5-4-00

ORAL HISTORY INTERVIEW

with

Robert Richards Midkiff (RM)

Honolulu, O'ahu

January 4, 2000

BY: Michi Kodama-Nishimoto (MK) and Warren Nishimoto (WN)

WN: This is an interview with Robert Midkiff on January 4, 2000 and we're at his home in Honolulu, O'ahu. The interviewers are Warren Nishimoto and Michiko Kodama-Nishimoto.

MK: Last session we ended with the discussion of your decision to return to the islands in 1946.

RM: Mm hmm.

MK: You shared your conversation with your ex-fiancée's college roommate's father . . .

RM: Yeah. (Chuckles)

MK: . . . who gave you some very good advice.

RM: Right.

MK: So what we'll do is that we'll start with your career in the trust business. First with Hawaiian Trust, then you kind of went to Amfac for a few years, then American Security Bank, then you started your own establishment.

RM: American Trust Co. of Hawai'i, Inc. All right, let me tell you a neat little story if you have a minute. (Laughs)

MK: Okay, we'll start with that. Okay.

RM: When I started to look for a job—my grandmother suggested I go see her trust officer who was Judge [Alvah] Steadman, the president of the Cooke Trust Company. His wife was Martha Cooke Steadman. Judge Steadman told me that, unfortunately, he didn't have any positions available for me, but that he was also Chairman of the Cooke Family-owned bakery, Love's Biscuit and Bread Company. That company was looking for a personnel man, he understood, because they were just going to open up a new bread factory in Kapahulu. They were going to have to let go an awful lot of old-time bread-makers from their old plant, which was located on Nimitz Highway. The IHS [Institute for Human Services] uses it today, I think. So I went down to call on Jack Corbett, the president, and he turned me over to his number-two person. That gentleman led me out into the bakery floor and tells me, "We have this truly personal, personnel policy. We have . . . there's Manuel. Manuel, how's your wife? Oh excuse me, it's your mother?"

"My mother's very sick," Manuel says.

"Manuel, he loves kneading bread, he's got the secret of bread in his hands. Hey Tony. How's your family? Oh, I'm sorry to hear that. We just know everybody's problems," says he.

So, then we drove across town to Kapahulu and this executive tells me, "You know, I love working for Love's. I look down from my little home on St. Louis Heights and I see the twinkling lights of the city below. I say, 'Those are happy people. They have Love's bread in their tummies.'"

(Laughter)

RM: So then we visited the new plant in Kapahulu, which was almost finished. The Love's people were fixing it up. They were going to be able to pour sacks of flour in one end and baked bread would come out sliced and loafed at the other end. And they were going to have to let go of thirty people. So they needed a personnel expert to tell them which thirty people to let go. I listened and listened. As he drove me back to the headquarters to get my mother's car, which I had borrowed for the interview, he said, "Bob, I've come to like you. I think you have it in you, if you come to work for Love's Bakery, to invent a cookie!"

I decided not to go to work for Love's.

(Laughter)

WN: History could have been totally altered if you had decided to.

RM: Drat, I would've been the Napoleon of Napoleon's Bakery.

(Laughter)

RM: Anyway . . .

WN: Now this was when? I mean . . .

RM: The end of 1946. I had just come back from Washington and so I was looking all over for a job. I visited Hawaiian Trust [Co., Ltd.]. Hawaiian Trust then was really a very important power in the tight business world. Remember, it was not one of the Big Five, but because of various family trusts which had been set up with Hawaiian Trust as trustee, Hawaiian Trust was a link between all the Big Five companies. Hawaiian Trust officers sat on the boards of Castle & Cooke, Alexander & Baldwin, American Factors, C. Brewer, and Theo H. Davies. Many of the CEO's [chief executive officers] of the Big Five sat on the Board of Hawaiian Trust. In other words, the officers and the board members of the Trust Company were quite influential in the old Big Five days.

Peter McLean, President of Hawaiian Trust, hired me and I went to work on December 1, 1946. For a few months, I worked in the investment department for J. Scott B. Pratt, III, who later became president of the trust company. Then they shifted me to do probate accounting and that was very, very good training. A vice president named Erling Hedemann, (his sister was Mrs. Harold Castle,) was about to go on vacation. He taught me how to study the accounts of somebody who had passed away, and how to decide what items were income, what were principal, what should be accrued or shouldn't be accrued. It was most meticulous training. Then



they moved me to the big safe deposit vault in the basement. I was there for a year learning, again, meticulous, detailed work—to check people coming in and leaving and to follow the timeworn procedures, and so on. Then they moved me to the trust company's own vault. There I learned how important everything under your observation was. For example, one of the legendary Hawai'i businessmen, Alan S. Davis, served for years as internal auditor of Hawaiian Trust. Later, he became a trustee of the [James] Campbell Estate, president of [C.] Brewer [and Co.], and held other important jobs. Alan happened to feel some scratches on a ledger page with his fingers, while he was auditing the asset ledgers of the George Galbraith Trust account. The old ledger book recorded the municipal bonds that were held by the trust. He concluded that somebody had scraped the ink off and removed a \$100,000 bond and then written a lesser total back on the page. It turned out to be one of the vault custodians. He'd been squirreling away the bonds and selling them. They confronted him, but he didn't have anything left, except his Hawaiian Trust Group Insurance Policy for \$10,000. So they made him assign that back to Hawaiian Trust and were going to get \$10,000 when he died. Unfortunately the man lived to be ninety-five so they paid the premiums for a long, long time. It cost them a lot more than \$10,000 to own that policy.

Then from there, I moved to the income tax and the estate tax department. Mr. Herbert Ware Camp, VP, was a marvelous, old, philosophical person who'd grown up understanding taxes: income taxes, gross income taxes, estate taxes, and foreign taxes. I sat in his office as his assistant. I did estate taxes during the off-season and then from January to March 15, I moved out and prepared federal and state income taxes under the procedures that he had set up. I was there for five years and became almost an authority on estate taxes. That was the key to my future trust career. I learned what resulted from good or bad estate planning.

A pivotal story was the case of the Estate of James W. Glover, a very successful contractor and a charismatic person. Jimmy Glover, shortly before he died, had purchased from Parker Ranch; a huge ranch called Kahuku Ranch. It takes up a very large section of the southern part of the island of Hawai'i. It constituted about one-third of the Parker Ranch. He was going to pay for it by logging big *koa* trees and making *koa* furniture. So he bought Van's Furniture Mart in Honolulu.

Bob Wo, my friend, I had put in a profit sharing plan for him by this time—went to Jimmy and made an offer, "Now, you're not in the furniture-making business, I am. I'll buy your plant from you, and I'll pay you with a million-dollar note, 3 percent interest only for ten years and then the entire balance of the principal. He also offered two pieces of Chinatown property on King Street, at King and Smith, and King and Maunakea Streets. Further I will process all the *koa* that you send down at cost, no profit, just at cost." That was a good deal as far as Jimmy was concerned.

It turned out that most of the huge trees on the ranch were rotten inside and there wasn't that much useful *koa* in them. Later, Jimmy had a massive stroke and died. He had named Hawaiian Trust as his executor. It became my lot to do a very complicated estate tax, because most of his property had been previously taxed. His first wife had died of cancer leaving her large estate to him. Barbara Cox Glover, his second wife, took her dower right to avoid the estate tax on one-third of his assets because his will left everything to his two children by his first wife. Then she donated her dower right assets to the children. That avoided a very large estate tax at that point. I spent weeks calculating the two interrelated variables: the Hawai'i inheritance tax and the previously taxed property deductions, with a calculator. They didn't have computers in those days; it was all done on a big Friden adding machine and calculator.

Anyway, now this is important to my life. When Hawaiian Trust came to sell the two properties on King Street, there were no buyers to be found. They finally had to unload them at less than the Hawai'i Real Property Tax assessed value.

Downtown Honolulu was in desperate trouble at that time. I happened to travel to an annual meeting of the Profit Sharing Council in Denver, Colorado. I stayed at the Brown Palace Hotel and during one of the breaks I wandered outside the door to see what was going on. There was a huge expanse of bulldozed property in the middle of Denver. A developer named Bill Zeckendorf was developing the Mile-High Center Urban Renewal Program. I saw a little sign on the street saying, "Denver Downtown Improvement Association." I went upstairs, introduced myself, and said, "We have got terrible trouble in Honolulu. What are you doing?"

So they gave me their charter, by-laws, and dues schedule which I brought back to Honolulu. Then we met with a group of business leaders including my father, a trustee of the Bishop Estate, George Collins of the Campbell Estate, the Bank of Hawai'i, the head of First Hawaiian [Bank] now, (it used to be Bishop [National] Bank of Hawai'i,) Bishop Trust [Co., Ltd.], and Hawaiian Trust. We decided to go ahead and form the Downtown Improvement Association. [R.] Alexander Anderson (Alex Anderson the songwriter) was president of the Alexander Young Company and became the first chairman. I became the first secretary. We used the Denver DIA dues schedule and documents adapted for Honolulu. First thing we did was to hire Don Wolbrink of the Honolulu Office of Harland Bartholomew and Associates to teach us how to plan the plan. He set up our procedure for planning and recommended that we hire Jim Downs, head of the Real Estate Research Corporation and one of the country's authorities on urban renewal. He came out to have a look at Honolulu. Jim spent a week of talking and looking and checking. Then we had a meeting at the old Pacific Club. This took place prior to statehood.

[Jim Downs] told us, "If you do three things, downtown can flourish. You must make sure that when Hawai'i becomes a state, the state capitol is downtown. That will anchor the government buildings around the capitol, and keep the State employees downtown. This will support retail [trade] and the restaurants downtown. Second thing, you need to build a Financial Plaza of the Pacific, a "Rockefeller Center," otherwise the downtown business headquarters offices will move away. The headquarters of Hawai'i's major companies could move to Ala Moana. They could move to Iwilei, because downtown is in such bad shape. Finally you have to bring people downtown day and night. You have to emphasize your 'Iolani Palace history, Hawaiian Mission Children's Society history, Ali'iōlani Hall for Judicial History, and your cultural attractions. The Hawai'i Theatre should be part of that action."

That led me in the path that I have followed for fifty years. I was appointed chairman of the committee to design and build a Hawai'i State Capitol. We had to select the architects for the capitol. That's a long and interesting story. Then I was chairman of the committee to design and build the first commercial condominium in Hawai'i, the Financial Plaza of the Pacific. I was also one of the founders of the Friends of 'Iolani Palace. Then I became chairman of the Hawai'i Theatre. So Jimmy Glover's estate tax has been formative in my life.

MK: That started it all.

RM: Yeah, (chuckles) that got me to get into it.

Now, going back into estate taxes, that led me finally, after five years of working—oh, one more story about Mr. Camp.

He was a very good student of the Internal Revenue Service philosophy, but also a practitioner. So when an agent would come in to do an audit of one of the Hawaiian Trust accounts, Mr. Camp would pull out one of the six pipes in a black rack on the top of his rolltop desk. He had a special pipe that was just for IRS agents. He'd pull out that pipe and start a long conversation about what was going on in Hawai'i taxes and in United States taxes. Meanwhile he filled up his pipe slowly and then lit it. It was foul. He would start blowing pipe smoke at the tax agent. Pretty soon they'd turn green and beg to be excused. We didn't have much trouble with the IRS. I watched that again and again. Great ploy.

WN: Good strategy.

RM: Yeah. Well, our clients get along very well with the IRS agents. He had a trusting relationship with K.L. Wong who was the chief estate tax examiner and became my real buddy.

He said, "You let me keep away from Mr. Camp. You, I'll just talk with you."

(Laughter)

RM: Anyway, then I was transferred to business development to work with a genius by the name of Federico O. Biven, one of the most remarkable salesmen I ever knew. His theory on selling was to do absolutely anything the client wanted. He'd knock himself out day and night to take care of our clients and his prospects. He really went all out. I watched him devote his life to his clients. If they needed a psychiatrist at 2:00 in the morning, he'd arrange that. If they needed to be on a plane to California in a sleeper, which Pan Am Airlines had in those days, he'd arrange that. George Vanderbilt was one of our clients and Freddie would take him down to the airport, get him on the plane, and tuck him in the bed. George was often in bad shape before he died.

Freddie [Biven] did Evanita and me a huge favor. We were married in '48 and by 1950, I was making maybe \$400 a month at Hawaiian Trust. I had started at \$300 a month. We were living rent-free in my grandmother's house up at Luakaha in Nu'uuanu Valley while we looked for a home to buy. Our first child, Mary was born in August of 1949. We started looking at homes on the "poor man's side" of Kāhala Avenue and even along Diamond Head. We made several offers of \$28,000 and luckily were always turned down.

Finally Freddie Biven insisted that we look at Francis Brown's house. Said Freddie; "You just must buy this beachfront location. Francis Brown is moving to California and he's had it for sale. In the beginning he was asking \$85,000 and recently he has lowered the price to \$47,000."

I said, "I can't afford the price . . ." But he insisted that we go and look.

Finally he talked us into making an offer of \$30,000 for the 19,000 square feet of leasehold property on the water. Francis turned the offer down. So then we went back to the drawing board and said, "All right." I wrote Francis a letter, explaining how much we owned: a double bed, a crib and a baby and a car, which was a wedding present. Would he take \$32,500?

(Laughter)

RM: And he did. It was early in October, and Evanita signed the papers in Kapi'olani Hospital where daughter Robin was born on September 29.

So we bought this glorious property and have had a wonderful life on the ocean for fifty years now. This lot is 60 feet wide and 300 feet long. It looks much bigger than it is because of all the planting.

WN: Was this his full-time residence here?

RM: Yeah, it had been. We moved down here to Kāhala in December 1950, in the biggest rainfall the area had seen. I borrowed an open truck. Everything we owned was tied up in sheets on the back of that truck. Water was pouring over Diamond Head and flooding across Diamond Head Road. When I arrived at Kāhala, the truck was loaded too high to get into the garage. Everything was soaking wet by the time we moved into this house.

(Taping interrupted, then resumes.)

WN: This is in '48?

(Taping interrupted then resumes.)

RM: No, 1950. So (pause) okay.

MK: So by being in the trust business in the investment department, you got to buy this house, through your association.

RM: Not really. I went to work in '46, bought this house in '50, four years later. I was still doing estate taxes, income taxes, and selling trusts at the time. We sold whatever stocks I had inherited and received as gifts. My grandmother, Mary Atherton Richards, had died shortly before and we inherited \$16,000 from her. We quit the Outrigger Canoe Club and O'ahu Country Club to help pay for the mortgage. That enabled us to swing this home. We had no furniture except for some beach chairs that came with the house. But as I said before, we moved in with all our worldly possessions: a double bed, two babies, two cribs and wet clothes.

Now, Hawaiian Trust had a wonderful vacation program leftover from the clipper ship days. Every five years—if you left the islands to refresh yourself, improve your mind, or just travel, sort of like a sabbatical; you could take a ten-week vacation with pay. So having started in '46, in '52 I was on a trip to the East Coast with my wife who was pregnant with our third daughter, Shelley. We got a telegram in New York saying that the Hawaiian Trust had a client who wanted to start a profit sharing plan. He was Roger Ames, president and owner of United General Finance. He'd formerly been a vice-president of Chemical Bank. "We don't know anything about profit sharing, please find out about it while you're in New York." So I went down to Morgan Guaranty Trust Company, Banker's Trust Company, and Chemical Bank. While at Morgan Guaranty I had a letter of introduction to one of the key people there who invited me for lunch. I got there around 11:30 and I thought I would use the men's room.

The guard looked me up and down and said, "Do you have an account here?"

I said, "No, but I'd like to leave a deposit."

(Laughter)

RM: I brought back their profit sharing plan documents as well as their sales material on profit sharing. In 1952. I put in the first three profit sharing plans. One for Kāne'ohe Ranch [Co., Ltd.], Harold

Castle thought it was a good idea. One for Kaimukī Ben Franklin [Stores], and one for United General Finance.

At Kaimukī Ben Franklin we tried to complete this in the very busy December Christmas season. I was out there calling on Johnny Kunihi to get the last details all set.

He told me, "I'm just too busy right now. Come back in an hour."

Well, what do you do in Kaimukī at 11:00 in the morning? I walked up to the Kaimukī Pharmacy. There were no customers there and the pharmacist came out and said, "What can I do for you?"

I said, "Well, I'd like a Coca-Cola."

As he poured me one, he asked, "What are you doing in Kaimukī?"

I said, "Well, I'm putting in a profit sharing plan for Johnny Kunihi at Kaimukī Ben Franklin."

He said, "Profit sharing, what's that?"

His name was Sidney Kosasa. We established a long, friendly relationship with Sidney and Minnie [Kosasa]. In 1953, I put in the profit sharing plan for ABC Stores, only it was then called Kaimukī Pharmacy. Then they opened a second store downtown. Their success came when they attended a drug store conference in Florida and met a shrewd Jewish gentleman who told Sidney, "Hey, you're just wasting your time in Downtown Honolulu. Move to Waikīkī." And that fellow has been guiding them since then.

Sidney would have quarterly dinner meetings with all his employees over two days. Half of the employees would come one evening and the rest would come the next night. And once a year, I would give a talk about profit sharing to all of the ABC employees.

In 1953, I worked for about 100 hours with the profit sharing committee of Foodland Supermarkets to put in a profit sharing plan for Maurice Sullivan. They wanted it to look like the Sears [Roebuck and Co.] plan, which had a two-year waiting period for plan eligibility. At that time it seemed like a good idea. I remember going to a Christmas luncheon for all the employees of Foodland at an old nightclub called La Hula Rumba. It was located just above the Board of Water Supply on Alapa'i Street. Sully [Maurice Sullivan] gave a short talk, which I've never forgotten.

He told his employees, "I want you all to remember just three things and Foodland will be successful. You must smile at everybody who comes in. They're our friends. They're our customers, but they're our friends, so I don't want any frowns. Two, you must keep the aisles swept and clean. I don't want anybody to slip and fall and sue us. And three, be sure that when you're walking around the store and you see some shelf that's empty, put the merchandise back in. You can't sell from an empty wagon. You do those three things, we will flourish."

Sully was a genius at real estate. He kept anticipating where the population growth would come and he'd locate a site and open a new store. He made his fortune, really, from his real estate activities back in those boom days, putting in Foodland Stores everywhere. He really sopped up the competition that way. He was so successful that McDonald's [Restaurants] recruited him. They gave him the Honolulu McDonalds franchise and that was wonderfully successful.



I remember he told me once at one of our luncheons that he became a friend of a local Japanese from 'Aiea who owned the Gump's building on the corner of Lewers and. . .

WN: Kalākaua.

RM: . . . Kalākaua. Mr. Komu couldn't make anything really work there but he had a very good idea of what the market value should be. Sully went to him and paid his price, knowing that he could turn right around and sell it to Louis Vuitton for a \$2 million profit. (Chuckles) He only kept it for a few months. A good man, a generous man. We were close friends.

Sully, at one point, expanded by three new supermarkets in one year. Six hundred new employees. At the same time, for efficiency and health reasons, he moved the butchers away from the customers and back into air-conditioned space where they cut and wrapped the meat and chicken. The butchers lost friendly contact with their customers and were ripe to join the Meatcutters Union.

(Taping stops, then resumes.)

RM: Sully didn't want to have [several unions] the meat cutters, the clerks, the retailers, the ILWU [International Longshoremen's and Warehousemen's Union], in all his stores. So he went to Jack Hall of the ILWU and said, "Jack, would you like to organize the entire Foodland chain? Be my guest. The only thing you can't touch is profit sharing. I want to keep my employees aware of the benefits of sharing the profits that they help to make."

So Jack Hall, although totally against the concept of profit sharing, accepted the Foodland profit sharing plan. Profit sharing was all right in Foodland.

Just jumping to Jack Hall a minute. When I got back from Japan and Korea, I was a committed anti-Communist. I was sure that the [1949] dock strike was part of a Communist plot. Oh, I was very bitter. I wrote some newspaper articles about the terrible things that Communists had done to the people in Korea and what they tried to do in Japan.

Then in '64, I became chairman of the Hawai'i Visitors Bureau and the HVB was in deep trouble at the Legislature. Chinn Ho had been the chairman before me and he had spent more money than the Legislature appropriated. The Director of the Department of Planning and Economic Development wanted to take over the HVB and run it. They conducted an audit and they determined that, although we were in the black with the pledges we had received on an accrual basis according to our accountants, that by the state's cash basis system of accounting, we were \$100,000 over spent.

Well, so I went to Roy Kelley and asked him to help me get everybody that made a pledge to the HVB to come up with their cash right now so we could move to the cash basis of accounting, which we achieved.

Then I went to Jack Hall and I said, "Jack, I need a vice-chairman for the Hawai'i Visitors Bureau. Would you be willing to be my vice-chairman?" He accepted.

All of a sudden our political problems disappeared. We started getting more money because he had a wonderful legislative lobbyist, I can't remember his name now, a Portuguese guy who spent all day and night working with the legislators. And things worked out all right. I also asked



Arthur Rutledge of the Teamsters Union to come on as the other HVB vice-chairman. The Hawai'i Visitors Bureau became a representative of labor as well as the owners.

While we are discussing the Hawai'i Visitors Bureau years, I should tell the story of Dr. Tom Hamilton and the HVB. One of the reasons we were in trouble with the Legislature was the personality of our President, Bob Allen. He was an old-timer in the visitor industry and very much at home with hotel and travel executives. But he didn't like politics and politicians and he resented being bullied by some of the legislators at committee hearings. They, in turn, felt that he was an uppity *Haole* and bore in on him.

Things were at such a pass that I asked him to find another job and gave him six months to do it. He finally got resituated, but just before he left there was a blowup at the University of Hawai'i. Dr. Tom Hamilton tried to fire an avowed Marxist professor, Dr. Oliver Lee, who was a firebrand. When the chips were down, the Faculty Senate sided with Lee, no matter what he was teaching. And Tom resigned as President.

The day of his announcement, I was having lunch with Thurston Twigg-Smith and Dave Benz, two past chairmen of the HVB, to set up a selection procedure for Allen's replacement. We looked at each other with the same question in our minds, "Would Tom Hamilton be interested in the job as President of the HVB?"

Twigg and I drove up to his office and asked him. We were very fortunate. Tom had no other plans and we had called upon him at exactly the right moment. He was very successful with the Legislature, as well as all the elements of the tourist industry. He orchestrated the first Tourism Congress to bring the entire community together with the industry. We began to pay attention to the needs of Hawai'i's residents who came face to face with the ever-increasing number of visitors to the islands.

WN: Now, returning to the topic of profit sharing in Hawai'i . . .

RM: Between Hawaiian Trust, American Security Bank, and American Trust [Co. of Hawai'i, Inc.] I helped over 1,000 companies in Hawai'i to share their profits with their employees. I can walk into almost any group and somebody will come up and say, "Oh, Mr. Midkiff. You spoke at our company. I have \$100,000, or maybe it's \$500,000 because we shared profits." It's been one of the keys, I think, to the employee satisfaction which has lasted so many years in Hawai'i.

Recently, since I left the trust business, we've seen many companies in Hawai'i no longer making profits; the construction industry and so on. At one point, when the construction industry was first being union organized—and we had profit sharing plans for many—oh, maybe forty or fifty big and small construction companies. As the unions came in, I came up with a formula to say that we'd have profit sharing for everybody, but the union members would have amounts deducted from their profit sharing allocation equal to the amount that was contributed to their union pension plan. And the union employees were just beginning to accept that, when I moved from Hawaiian Trust to Amfac in April 1964, and the profit sharing momentum died at that time.

At any rate, in '62 Hawaiian Trust thought it'd be a good idea for me to go back to Harvard Business School and enter the advanced management thirteen-week program. And that was a wonderful experience.

What I remember the most out of Harvard was a professor named Joe Bailey. He used to give case discussions of employer-employee conversations. It was amazing the different impressions

that you would receive from what that employee said. Quite often, the employee didn't—couldn't express what he or she really felt. They couldn't express what they wanted to say and sometimes they didn't conceptualize what they wanted to say. And you had to spend time asking questions, direct open-ended questions, to get down inside what it was that they would like to communicate if they could realize that's what they were trying to communicate. That's been very valuable. It was a course in listening carefully. That ties in with the English teacher I had senior year at Punahou, Miss Mary Card Porter. She taught a course called, "Writing and Thinking." That was a course in putting down precisely what you wanted to say, going back and looking at every word and being precise and concise. Wonderful training. Well . . .

WN: This is a course you had at Punahou?

RM: Yeah, "Writing and Thinking." Those days, you'd write it by hand and then go back and correct it. But that helped me a lot in my Yale thesis.

MK: You know, going back to profit sharing, whenever you had to make a pitch to an employer to institute a profit sharing plan, what were the main points that you emphasized?

RM: Well, after we got started, it was very easy to talk about successful other companies who'd already started their plan. But basically my pitch was that if you share profits with employees, they become aligned with you on the common goal of the net income of the company. You as a manager affect gross revenues. You can increase sales. Employees make a tremendous impact on expenses. Generally speaking, a company has to take in \$10 to make \$1 of net profit. But \$1 of cost saving is equal to \$1 of net profit. Ten to one. And sometimes twenty to one. In a supermarket it's twenty dollars of revenue to one dollar of profit. So the manager can concentrate on explaining and helping people understand that doing things smarter and more efficiently, is going to produce net profits that will be shared.

Generally speaking, I recommended a simple formula. "Ten percent of net profits, or such greater amount as the company can afford." Ten percent minimum. So if they save \$1, at least ten cents of that goes into their pockets. So most of the plans I started had that formula. It's easy to understand, easy to explain.

MK: If any employer had reservations about instituting a profit sharing plan, what were those reservations about?

RM: Basically, they weren't sure they were making money. (Chuckles) They also didn't want to tell people how much they were making, a lot of them. They were also worried about, "If I buy a car for the company, are the employees going to feel that that money should have been theirs?" Secretiveness is a good part of it. Many Hawai'i small businessman didn't want to reveal how badly they were doing.

WN: Now this was a time when unions were taking hold.

RM: That was beginning.

WN: Was one of the ideas behind profit sharing the idea of trying to resist or combat unionization?

RM: I started before the unions came in, as in the case of Foodland. But when they came in, then at least you could keep some positive relationship with the employees through the profit sharing

plan. I think many employers felt that if they could offer whatever benefits the union would negotiate, plus profit sharing, there would be no reason to have a union.

WN: Right.

RM: Usually, unions come in because of bad management. An example, Kamehameha Schools where last year the teachers decided they had to get unionized because Lokelani Lindsey was such a tyrannical manager.

WN: Were there any instances where you went in to pitch profit sharing of a company that was already unionized?

RM: Yes, and then I would suggest that the plan exclude the union people but cover the others because you could exclude union members at that time. Then finally the laws changed so that you couldn't do that. Then I'd design the plan to cover compensation over a certain level. You could tailor it a little bit or else you'd subtract from the allocations to union members the dollars the company had agreed to pay into the union pension plan.

One of the interesting stories that come out of profit sharing is the Maui Ben Franklin Store. About, I guess, 1957 or [195]8 an insurance agent, Arthur Awai, came to me and said, "I've got a wonderful client on Maui. The Kahului Shopping Center has just opened up, and he has bought the Ben Franklin franchise. I think he would benefit. He's that kind of a good man."

So I went over with Arthur to see Tadami Kamitaki. He mortgaged his home to start this Ben Franklin in Kahului, in the first shopping center on Maui. He thought profit sharing would be a good idea for his twelve employees. We had a Chinese dinner at a Chinese restaurant in Wailuku with all his girls to talk about how the profit sharing plan would go. I went back a couple of times to speak. The third year, we had another dinner. By this time, the company was doing very well. Those girls were between eighteen and twenty years old and had just finished high school when they [first] worked for the Ben Franklin store. By this time some of them had married, and had already built up over \$1000 in their profit sharing accounts. That was more than they'd ever been able to save before. Tadami was happy he had given that big a benefit to each of them.

Well, it happened that particular year that the Ben Franklin Company brought in a new product for Maui, red plastic mop buckets. You know; galvanized pails were good but they get dirty, they rust, and they leave a mark on the floor. Plastic mop buckets are light and easier to keep clean. The girls thought they were wonderful. So they told their friends and (makes zooming sound) soon all the red, plastic mop buckets were gone.

So they went up to see Tadami and said, "Hey, you didn't order enough plastic mop buckets."

He said, "Well if I ordered more we couldn't—there's no place for them in our warehouse," which was in the back of the store.

So they went down and looked at the warehouse and said, "Hey, if you had your shelves arranged cross way instead of the long way, you could get more shelves in and order more plastic mop buckets."

So he laid out his pencil and graphing paper and by golly, he could install three more shelves and order more plastic buckets.

So they told their friends, "We got more plastic mop buckets coming in." And again the buckets were sold out. "Hey you didn't order enough for our customers." So the girls took over the marketing. They started figuring out the ads and they did the ordering. He started expanding and from then on, he always made 10-20 percent more net profit each year because the girls became entrepreneurs.

Now, the reason I'm telling that story, is that it leads to another one. When I went to the Harvard Business School, we were given the opportunity during the last week, of speaking for five minutes each. So I decided to talk about profit sharing at the Harvard Business School. I went to the Baker Library, the world's largest business library, and that library had only six books on profit sharing. So I called up the Profit Sharing Council [of America] and said, "Send everything you have, one of everything, to the Baker Library and I'll pay for it." It cost me about \$65; I had to send them a check. The Baker Library was delighted with these new books; and then I gave this talk about the plastic mop buckets at Harvard. (Chuckles)

Two years later, back in Honolulu, I got a phone call from the Profit Sharing Council of America saying, "Bob, Congress is about to take away the long-term capital gains treatment of lump sum distributions from profit sharing plans." That's when you get your final payment from a profit sharing plan. You have built the account up over many years, and it's not fair to aggregate it and tax you at ordinary income rates. Instead of as ordinary income, final lump sum distributions were taxed as though it was a long-term capital gain. Fifty percent was, therefore, tax-exempt. Congress was looking for more tax revenue and they wanted to do away with this benefit exemption. So the Profit Sharing Council said, "Come; Proctor and Gamble will pay your way back to Washington if you will fly back and testify."

I said, "Well, how did you get my name?" Apparently the Profit Sharing Council was looking for an academician who could support the concept of profit sharing, so they called the Harvard Business School.

END OF SIDE ONE

SIDE TWO

RM: Harvard Business School said, "Well we don't have any authorities on profit sharing, but we had a student who spoke here a few years ago." So, that's how they got my name.

Then the Profit Sharing Council said, "Now, there's going to be a two-day hearing and we're a little late with your name. You'll be on second day and there'll be no committee members there but the chairman. Can you call your Congressman, Sparky Matsunaga, and see what he can do for you?"

So I called Sparky and he called me back and said, "Well, I did get you on the list but your position is not too good. I'll see what can be done. When you come back, I want you to bring sixteen red carnation leis and thirty-two fresh pineapples."

"Yes, sir."

So I had my friend Hung Wo Ching get me sixteen carnation leis and thirty-two pineapples and arranged for United [Airlines] to carry them. I flew back to Washington and arrived early the

morning before the hearing. I went up to Sparky's office. He was waiting for me. With him leading, we went around and called on the secretaries of the sixteen members of the House Ways and Means Committee. I kissed those lovely ladies and presented each of them with a lei and two pineapples. One for the boss and one for the secretary. They rearranged the schedule.

(Laughter)

RM: The president of the New York Stock Exchange was supposed to speak from eleven to twelve on the first day. They moved him up to 10:30 and put me in from 11:30-12:00 on the first day. So there I was, before these sixteen members, all present because the newspapers were covering the president of the stock exchange. I told them about Tadami Kamitaki and the plastic mop buckets. The next day, I went back to call on the sixteen members, one by one, and the secretaries greeted me, "Oh, Mr. Midkiff. Thank you for that wonderful Hawaiian lei and pineapple. Please, he's waiting for you." So I had a chance to talk to all those Congress people and by golly, they didn't do away with capital gains treatment on lump sum distributions.

Whenever I would go back to Washington to testify after that, I'd call Sparky. He would ask me my topic and then would say, "This time, I think you'd better bring chocolate-covered macadamia nuts."

(Laughter)

RM: Well, I always went back to Washington with some gifts for the legislators we were going to call on. Sparky was first a member of the House of Representatives. When he decided to run for the Senate, he asked me to be on his campaign committee. So I became the secretary of his campaign committee along with Sam Okinaga, Larry Okinaga, and Charlie Bocken, just the four of us to plot and plan. He was elected easily to the Senate, beating Ben Dillingham. Then he asked me, "What Senate Committees do you think I should be on?" Because he'd been in the House of Representatives, he had more seniority than Daniel Moynihan, who was also elected to the Senate that same year.

I said, "Well, it'd be a big help if you were on the Finance Committee and the Labor Committee, those are the two that affect profit sharing plans."

So he asked for those committees and the leadership gave them to him. And man, he was so critically important to us for the next twelve years. Sparky was a key person on retirement plans because he sat in those two critical seats and he could trade votes. And I was very important to the Profit Sharing Council and later the ESOP [Employee Stock Ownership Plans] Association because of my good friend, Senator Spark Matsunaga. He said that his proudest moment was converting me to become a Democrat. I did so, so I could support him. I had been chairman of the Republican Campaign fund drive for Bill Quinn in '62. I was a Republican in those days and at the same time an officer of the Downtown Improvement Association (DIA).

Our first objective was the Hawai'i State Capitol. I was still secretary of the Downtown Improvement Association. The DIA Committee called on Territorial Governor, Bill Quinn, and pointed out that the Legislature had already appropriated money to plan a capitol.

He said, "Well, I'll release it, but how are we going to select the architect?"

We said, "Oh, you should form a committee to select the architect."



He said, "Bob, would you be chairman?"

"Oh," I gulped. "Oh, sure."

So we formed a bipartisan committee of Republicans and Democrats and we sent out the word to the world that we wanted an architect to design the last state capitol to be built in America. We had thirty-nine applicants, some of the world's greatest names. Minoru Yamasaki, I.M. Pei, Edward Stone, Richard Neutra, others. There were two conditions. One was that, during the design phase, the world-famous man had to create here and move to Hawai'i so our committee could give input. And second, the world-renowned architects had to align themselves with a local group of architects and engineers who understand our winds, the building codes, the angles of the sun, all those things. They all agreed.

And finally it came down to two choices. We were meeting in the State [Department of] Transportation building at the time, and the final choice was between John Carl Warnecke with Bob Belt, Cy Lemmon and Donald Lo as partners versus Kenny Brown, Ted Vierra, and Ernest Hara, a totally local group. There were a lot of emotions about favoring locals. The local group had just done the first master plan and designed the new Honolulu [International] Airport. A model of their proposed building was downstairs in the transportation department building. I called for a committee recess and we all went downstairs to have a look at what this local group had designed. They looked at the airport building and then they looked at what Warnecke had designed for a new U.S. embassy in Bangkok, (a six-story tower, located in a lake). The committee voted for the Warnecke team. Our capitol followed that basic concept.

Later, I was reappointed by the Hawai'i State Governor Bill Quinn to be chairman of the committee to actually complete the design and honcho the building construction.

I had the sense, at that time, to invite Scotty Koga, who was a Democratic member of the bipartisan selection committee and a member of the State House of Representatives, to be my co-chairman. Scotty and I were the co-chairs of the Design Committee and we got along very well. Our committee tossed out the first twelve designs presented. Warnecke came up with a huge tower, a *heiau*, a pyramid, we had all kinds of designs. The twelfth design was pretty interesting. The capitol was perched on eight towers with see through space at the ground level. The architects were concerned that the present location was too small. So they were going to put the capitol up high so people could walk around underneath it.

We looked at this twelfth design and two of us had the same impression. If you remember *Gulliver's Travels*, the third kingdom was Laputa, where the government comes floating in and lets down ladders to the people who can ascend up into the government offices.

We said, "That's not good for the legislative branch, but it's not bad for the administration. How about having the administration offices up on the top and then we'll have the legislative branch where you can get at it?"

So the thirteenth design is what you see, where you walk in off the courtyard, sit down and watch the legislature down in the basement. And then the towers enclosed the elevators to the upstairs.

While I was at Harvard, I heard the news that Jack Burns had defeated Bill Quinn [in 1962] and I called Scotty and said, "Oh, I resign."



He said, "No, no. You're co-chair. I'll be the talking chief, you'll be in the background. We'll stay as co-chairs."

So when the newly elected Governor Burns received his first presentation of the proposed capitol, Val Marciel, the new Director of the Department of Accounting and General Services, said, "Isn't that a great capitol? Won't this be a wonderful fiftieth state capitol?"

Jack Burns, who was sitting there with his arms crossed and his face frozen, finally cracked and said, "You know, I like it. What Hawai'i needs is a great state capitol . . . *and a great football team!*"

(Laughter)

RM: That's it. Fascinating.

Anyway, unfortunately when we went out to bid the prices came in over the \$25 million that we had promised it would cost to build. Burns said, "Oh, we can't spend that much money." So we lopped off two bays, one bay at each end, thirty feet lost from each side. The capitol would have been 60 feet longer, but would have cost more than \$25 million. Then when construction actually got going; and when they got up to the sixth floor, Jackie Kennedy came to Honolulu. Jack Burns took her very proudly up to show her his new state capitol. They already had the frames going up towards the roof on the sixth floor, where his office would be.

She said, "Oh, that's not high enough. It's got to be higher, the ceilings."

"Oh, of course. We'll do that." (WN laughs.)

That was an extra million dollars. So when you walk in the governor's office, look up. That ceiling is ten feet higher than it was originally planned. But Burns was very happy. Anyway, it's a good state capitol, very functional. The idea was to have grand *lānais* where people could meet with their legislators, but also to provide inside corridors so the legislators could zip from their offices, right into the committee hearings. Anyway, it works very well.

WN: When Jack Burns defeated Quinn, do you remember what your feelings were? I mean, I know you said you offered to resign but was there a fear that maybe the whole . . .

RM: Yeah.

WN: . . . everything that you planned for would be. . . .

RM: Serious, yeah. Of course. I mean it had been Quinn's program and how to get Burns to buy in. Here I'd been fund drive co-chairman for Quinn. I was worried about that. But anyway, luckily, his assistants caught the dream and thought it would be a great state capitol. They gave us the chance to go ahead. We went ahead.

John Carl Warnecke insisted that we have a master plan for the surrounding area. The first Capitol District Master Plan was going to go from Richards Street out to Ward Avenue, between King and Beretania Streets. The Straub Clinic had just built their new building across from Thomas Square and they fought us to a standstill.

So we turned around and we planned the civic center to go from the top of Punchbowl, theoretically—actually Vineyard Street—to the ocean. Now we have the federal building, city hall, the state office buildings, all under a sixty-foot height ceiling. The civic center is an oasis in our high-rise city and a visual park. It's really lovely for the city.

I think that the other story in my speech on the "Renaissance of Downtown Honolulu" is about Dr. Richard Chang. He bought property on the Diamond Head corner of Hotel [Street] and Punchbowl from the [*Honolulu*] *Star-Bulletin*. The Honolulu Medical Group was located next door. He planned to build a high-rise office building looking down on the new capitol. We had a bill in the legislature for a million dollars to start the capitol building, and he was going to charge ahead. My co-chair Scotty [Koga], by this time, had left the [Hawai'i State] House [of Representatives] and was elected to the [Honolulu] city council. He worked to have Chang's building permit delayed. So Chang went before the whole city council to argue that the building permit shouldn't be held up because he had a plan to build a nice high-rise building. [It would have] destroyed the civic center plan which had a maximum 60-feet [height limit]. Dr. Chang's building was going to go 120 feet up.

When the Downtown Improvement Association made our first initial [plan] for the capitol, we thought that Hotel Street was too important for traffic to close off. So we had a plan to build a tunnel for traffic to go underground between 'Iolani Palace and the new capitol. The entrance to the tunnel would start back halfway between Alakea and Richards Street and halfway between Punchbowl and Alapa'i and be submerged between the capitol and ['Iolani] Palace.

Well, I was able to bring the model we had built of the DIA plan in to the council chamber and present it right there to a city council committee of the whole. I said, "Now see, this corner that Dr. Chang wants to build on, that's our entrance to the tunnel. We can't---we just can't let him do that. It's important to hold the permit up. We have a million dollars proposed bill in the legislature that will enable us to go ahead. We'll buy Dr. Chang's property with that money."

Chang stood up and burst out, saying, "If Bob Midkiff thinks he's going to get a million dollars from the state legislature to buy my property, he's indulging in mental masturbation."

(Laughter)

RM: Anyway, we got the million dollars and we bought his property. (MK laughs.) That's where the state office building is now. It was an exciting confrontation.

WN: You mean the state office building on Beretania and Punchbowl [Streets]?

RM: Yeah, on the other side of Punchbowl Street, yeah. That's where Dr. Chang was going to build his high-rise.

Anyway, well---let me just branch off completely. I have just returned from the island of Hawai'i and some stories came up which reminded me of my brushes with Madame Pele. Interested in that?

WN: Sure, go ahead.

MK: Yeah, yeah.

RM: In 1952 we took our baby daughters, Mary and Robin then two and one years old, and rented Mrs. Juanita Vitousek's house ("Pete" Vitousek's mother). She was a fine local artist and owned this old frame house in Captain Cook. Nice place, up there above the Captain Cook [Coffee Co.] Store. So one day we took the little girls along with Amy Greenwell, Evanita's closest friend, down to swim at Middle Ke'ei. There's a nice shallow beach. Nice waves outside. I had my flippers and we took a cooler and I swam out. After I caught waves for about forty-five minutes or an hour, I came back in, went to the cooler and found a can of beer. The little girls were playing in shallow water and I was watching them standing just a few feet outside.

I looked up at the coral road crossing the Ke'ei peninsula and saw an old Hawaiian lady wearing a *lau hala* hat and long white *mu'umu'u* walking with a little black dog. A chill went down my spine. I said, "Girls, look. That's Madame Pele." She walked along the coral road and then disappeared from view.

We thought nothing further of it until that night. At about two [o'clock] in the morning, I was awakened by what sounded like two Lexington Avenue subways rumbling right under our house. It was a huge 7.5 earthquake. I pulled Evanita up in bed to a sitting position. The house was shaking like mad. The wooden part of the house was bouncing on the foundation rocks. The kitchen floor was concrete. Every single jar and glass fell crashing and smashed on the floor.

We rushed across the buckling floor to wake up the little girls. The water tank right behind the house was sloshing back and forth. We were afraid a flood of water would come through the house. Well, of course, the electricity went out. When we groped our way back to bed, we found our flashlight. There on Evanita's pillow was a *poi* pounder, which had been on a shelf above the bed. If I hadn't pulled her up in bed (makes slapping noise) her head would have been conked by this heavy *poi* pounder.

The epicenter of the quake was at Middle Ke'ei where we had just seen Madame Pele that morning. Our house was right on the Middle Ke'ei fault line. Damage was tremendous throughout South Kona. The Hōlualoa School roof fell in. Every rock wall in that area went down. McCandless Ranch bulls had full access to the Greenwell cows.

Members of the Greenwell Family drove up later that night to see how we were doing. The next morning, we all drove down to help Bill Hodgins and see what happened to his mother's house. You drive down to Miloli'i and walk in shallow water about a mile south to Honomalino. The house was OK, but was a mess. It took a long time to clean up Mrs. Hodgins' kitchen.

As we drove south to Miloli'i we stopped to visit my cousin, Jack Midkiff, manager of the McCandless Ranch. The Midkiff Family lived in a ranch house near the ocean. His wife Mary had been born in Mexico where earthquakes are serious business and people are killed. She had spent the night huddled under the dining room table with her five children. She was absolutely petrified. She moved away from Hawai'i shortly afterwards.

We found a McCandless Ranch cowboy who was packing all his possessions on his truck.

"Where're you going? What are you doing?"

He said, "I'm moving back to Waimea. This part of the island is too new for me."

There were sharp aftershock explosions for the rest of our vacation in Kona. I am convinced that we saw Madame Pele that day at Middle Ke'ei.

My second brush with her was also very interesting. Evanita and I went on our honeymoon to several of the islands. We went to Moloka'i for a couple of nights, went to Hāna two or three nights, went to Kūka'iau Ranch on the Hāmākua Coast of Hawai'i for a couple of nights. We went to the Volcano House for a couple of nights, and were guests of Ronald Von Holt, Kahuā Ranch partner with my Uncle Atherton Richards. Ronald owned a wonderful lava rock and coral home on some brackish water ponds at Weliweli on the Kohala Coast.

During our honeymoon, we were sort of looking for macadamia nut acreage because we thought this might be the way to make our fortune. My grandmother had a great macadamia nut tree. In my courting phase, Evanita helped me plant hundreds of Grandma's macadamia nuts in rows and rows over at Kualoa Ranch, owned by the Francis Morgan Family. We were going to form a partnership with him. We were looking for a permanent home for the seedlings.

Richard Lyman took us down to Green Lake in Puna and said, "This land is still warm from the last lava flow but you can just push down a hole and trees will flourish in this land." So we looked at the area seriously. We drove down to the warm springs "Queen's Bath" which was covered by a later lava flow.

In 1954, I put in a profit sharing plan for C. Brewer [and Co.] and all their plantations. This was for the non-bargaining union employees. Boyd MacNaughton, the president, was a very complicated person, so he didn't want to share based on profits. He wanted to use the "yield-cost improvement formula" he worked out. If the sugar yield of the plantation went up, costs would come down. Then they'd share some kind of benefits based on the formula. So I went over to Hawai'i to try and explain this to the non-bargaining employees at the Hilo office of C. Brewer. There were so many of them that we held two meetings. One meeting at ten [o'clock] in the morning and one at two [o'clock] in the afternoon. After the morning meeting and after all the questions, we drove down to see the lava flow with the human resources director for Brewer, Charlie Spalding, and the human resources director for Hilo Plantations, Bob Moyer. Bob says, "You know, my house, I think it has gone. The lava is now flowing over it. Let's go down and see what happened."

So then the three of us go down to Green Lake, turn left, and by golly his house has been wiped out. Then we went back around the hill down to the Kapoho Beach Lots, where Dr. Nicholas Steurmann and his wife had built a very beautiful home by hand. I was a director of Amfac at the time and we'd been down to have a picnic lunch there during one of our director meetings at 'Ōla'a Plantation. The Steurmanns had made progress sufficiently so that Hilo Electric had just connected up electricity to the house. We passed Dr. Nick Steurmann driving away with his truck loaded up with their possessions. Hilo Electric had just come out and removed the meter and the electric lines because lava was coming around the corner. Betty Steurmann was pacing the floor, trying to inventory their nice things. Then we drove further around the corner. The next lot was Clarence Lyman's house. Clarence invited us to come up and have a beer. Up drove Albert—Al Stearns and his wife Ruth. Al Stearns was the manager of Kohala [Sugar Co.] Plantation. His brother, Bill Stearns, was the state forester and had been surveying the flow from an airplane. Bill Stearns telephoned his brother, Al, and said, "Your house is about to go, you'd better come down and save what you can." The front of the lava flow was just about 150 feet away. There were some ponds and then the house. Well, they showed up with four [*kapu*] taboo sticks and a live chicken. Ruth went out and started putting the four sticks around the property and tied the chicken to one. Al stopped in, he's a little embarrassed, and we're having a beer.

I said, "What's going on?"

He said, "Years ago, our house at Puakō was washed away by a huge storm wave. The Mo'okini Family, they're the *kahunas* of Kohala, said, 'You know, you're a good man. You're a friend of ours. If we had known that was your house, we could've saved it. Here are some taboo sticks and next time you have problems, Pele will respect those taboo sticks.'"

So, then they got the call from Bill Stearns. As they were driving out of the home in Kohala their daughter called out, "Wait, wait, you forgot the taboo sticks."

"Oh." They turned back to pick 'em up. The Mo'okinis had said, "Take a live chicken." So they picked up a chicken and drove all the way down to Puna. We had to get back for the 2:00 p.m. meeting. I returned to Honolulu that afternoon to hear on the radio that the lava flow had stopped! Right outside the Stearns' home. It had been going for months. Poof, it stopped. At the time, everybody was talking about a lighthouse out there that was saved, but I believe the taboo sticks stopped the flow.

Well, a couple of years later I'm in Hilo calling on some clients. There was Dr. Nick Steurmann in the Hilo Drug Company, sitting down with somebody, so I joined them for a cup of coffee.

I said, "What do you think?"

Nick says, "Bob. Betty and I were in Auschwitz. We both have our prison numbers branded into our arms. The Americans rescued us, just before we were goners. I no longer believe in God; but I believe in the Hawaiian gods!" (Chuckles) How's that?

MK: That's an interesting story. Great story.

RM: So my feeling is, don't knock it.

END OF INTERVIEW

Tape No. 33-6-5-00

ORAL HISTORY INTERVIEW

with

Robert Richards Midkiff (RM)

Honolulu, O'ahu

January 12, 2000

BY: Michi Kodama-Nishimoto (MK) and Warren Nishimoto (WN)

WN: This is an interview with Robert Midkiff. Today is January 12, 2000 and we're at his home in Honolulu, O'ahu. The interviewers are Warren Nishimoto and Michiko Kodama-Nishimoto.

MK: Okay. Let's see, the first question for today is what were the major services offered to clients by Hawaiian Trust in the years that you were there?

RM: Yeah, I had been doing estate taxes and income taxes at Hawaiian Trust for maybe five or six years under Mr. [Herbert Ware] Camp. They decided, with the background I had picked up in investments and internal operations, I could be more useful as a business development officer. So I moved down to the very front of the first floor where I sat with the vice-president for business development, Mr. Federico O. Biven. He was a magnificent person who knocked himself out giving service to clients. He'd stop at nothing to do whatever a client needed. I learned a lot from him in terms of giving superior attention to the desires and the unexpressed desires of a client. As I think I mentioned, I was back at New York—one of the Hawaiian Trust perquisites—a ten-week vacation every five years, when I got a cable, asking me to find out all about profit sharing because the Trust Company had a client who was [interested in it]. So I visited three big banks and studied their models.

Luckily, I came down with chicken pox the year after I got back to Honolulu. I had installed our three first profit sharing plans, just feeling my way. Four of our kids got the pox and then I was the fifth. Luckily, I had brought home from the office the new Prentice Hall Pension and Profit Sharing Service, which was contained in a one volume loose-leaf binder, with pages and pages to file. So I had the opportunity to read every page in the Prentice Hall Pension and Profit Sharing Service. I found out where to look for things and I remembered a lot of stuff. I became the authority in Hawai'i on sharing profits with your employees. Deferred profit sharing plans were very beneficial to Hawaiian Trust Company since new cash contributions would come in once a year, as a company contribution and perhaps an employee contribution. We could invest it and give timely reports. It was good for the company and it was good for the companies I dealt with. I met some wonderful employers who became good clients for the Trust Company.

I'm not sure whether I have discussed my relationships with Bob Wo for example. His brother-in-law, Ben Lau, was a CPA and an attorney. Ben felt it would be interesting for Bob who was just beginning to get involved with expansion, to talk about a profit sharing plan. He had just acquired from Jim Glover the corner property that is now Homeworld on Beretania Street. So I went out there, we sat on some of those nice sofas and talked about profit sharing. Bob was very intrigued.



He is an extremely bright person and he listened and thought and considered. So then he and Ben, with my help put in a generous profit sharing plan. This was in 1957, seventeen years before the Employee Retirement Income Security Act of 1974, ERISA. Bob figured that it would be good to use the profit sharing trust funds to expand his company. He wondered if he could—by the third year he had several hundred thousand dollars in the plan—use the funds to invest and build a new sales building on Kapi‘olani Boulevard. There was nothing in the law to prevent that so the profit sharing became the owner-developer. The plan bought fee property on Kapi‘olani [Boulevard] and erected a six-story building with borrowed money, which was then possible, and paid off the loan in three years with company contributions and lease rent. Extremely successful. This building now is the Heald Technical School. A beautiful building, it was well designed. It was a great showroom and of course, the profits went up considerably when they had this beautiful showroom. The plan did extremely well with his program.

Did I discuss how we bought the [*Honolulu*] *Star-Bulletin* and put that together?

MK: No, not yet.

RM: That’s an interesting—another whole chapter. I asked J. Ballard Atherton, his brother Alexander “Pug” Atherton, Jack Waterhouse, and William “Doc” Hill to join Chinn Ho and his *hui* to purchase the *Honolulu Star-Bulletin* from the Farrington Trust Estate. A small group of us had acquired the *Star-Bulletin* and established a joint operating arrangement with the *Honolulu Advertiser* in ’54, I think. Later Chinn Ho sold the *Star-Bulletin* to the Gannett [Corporation] and Gannett acquired the S-B Commercial Printing Company, the *Star-Bulletin* Printing Company, which they didn’t want. They approached lots of buyers, but couldn’t sell it. Their investment broker called me, “Is there some way we could work a profit sharing plan buying the company?” Well, what we did was have the employees scrape up as much equity as they could, (it turned out to be \$37,000) to buy a \$500,000 company. We put a mortgage on the Victoria Ward leasehold. The profit sharing plan borrowed and put that in. Then Gannett took back a second mortgage and so the employees were able to buy the commercial printing company. This was before the law allowed Employees Stock Ownership Plans. It was quite creative, a very interesting story. There were strong unions, at the *Star-Bulletin* Printing Company because they’d been part of the *Star-Bulletin* and Gannett. They wouldn’t correct any inefficiency or take cuts in wages. Four managers were wrung out before Jean Ikeda came up from inside the company and persuaded the rest of her fellow employees that they had to get modern, become more efficient, drop off some people, and take some wage cuts to survive. They did and became very profitable paying off the mortgages. Eventually the company was sold. So profit sharing helped build the company.

We had another profit sharing plan for a [garment manufacturer] Bill Foster. Malia [Hawai‘i] was able to acquire a bowling alley through the profit sharing plan out on Dillingham Boulevard, and lease it back to use as the factory. The beautiful bowling alley floor was used as the sewing and cutting floor after the alleys were filled in.

WN: Was that Classic Bowl? Or . . .

RM: No, I forget the former name. It’s on Dillingham. Just across from the jail.

WN: Okay.

RM: So he moved his garment factory out there and had a beautiful, productive place. It was a wonderful place to work. The fronts of the alleys were turned into deluxe offices. His wife, Mary

(Malia), and their daughter were the chief designers. Malia [Hawai'i] had a very successful profit sharing plan.

Well, then ERISA came along and—this is an interesting story. Did I tell you I went back to Washington to testify before the Ways and Means Committee?

MK: Yes, you did.

RM: The first draft of the proposed law didn't permit real estate investments in a profit sharing plan. I heard about this disturbing provision when I was back at a Profit Sharing Council Directors' meeting at Hilton Head Island. So Evanita [RM's wife] and I flew up to Washington. With the help of Senator [Hiram] Fong, the Council and I met all of the members of the Senate Finance Committee. We persuaded the committee draftsman to say that profit sharing plans could invest in real estate. I went back to Hawai'i. Much to my horror, a few weeks later, the bill was slightly [amended] to say that real estate investment by the profit sharing plan had to be "multi-purpose properties, geographically diversified." I later found out this was because the lawyer for the 7-Eleven stores had come in. The Senate draftsman asked, "How are we going to protect profit sharing plans from bad real estate developments?" 7-Eleven had multi-purpose buildings in many states.

Later, the attorney for 7-Eleven Stores laughed at me and said, "You got in there too early. You should have been later."

Luckily Bill Foster was expanding Malia, Inc. to the Mainland at that time so we used the profit sharing plan to buy property in California, for the new manufacturing plant. We did the same for 'Iolani Sportswear for Keiji Kawakami. The profit sharing plan owned two locations. We owned the property just off of Pi'ikoi Street for the main plant. Downstairs were five Korean bars, a wildly profitable building. (Chuckles) Then we leased a property on Kaua'i, and built a factory over there. Keiji Kawakami had come from Hanapēpē and wanted to build a manufacturing plant back there. So we met the technical requirements. In other words, these were creative uses of a profit sharing investment program.

So as time went on I would install two new profit sharing plans a month. We ended up, over a period of years—between that and my later careers at American Security Bank and American Trust Co.—with 1,000 clients sharing profits in Hawai'i.

WN: Did they usually come to you? Or how did it usually work?

RM: It worked because the CPAs [certified public accountants] and the business advisors thought that profit sharing would help their clients. These clients were independent businessmen. All kinds of businessmen; jewelers, retail manufacturers, whatever. The CPAs figured this was a wonderful deal, not only for the boss, he was getting tax-free income, but for his employees and for productivity. As the word got out that this was the way to go, I got referrals from CPAs all the time and then attorneys. So that it was mostly referred leads that led to me. All I had to do was go out and find an interested entrepreneur and explain to him the benefits. "Oh, that's a good idea. What do you think?" he'd turn to his CPA.

The CPA [replied,] "That's what you should do." It was like falling off a log.

WN: What were the criteria that a business needed to have in order to have a profit sharing plan set up?

RM: Right. In the first place, they had to be making profits. [They] had to be making money. Secondly, they should be able to put at least two-weeks pay into the profit sharing plan. Five percent of compensation was my minimum. Look at the net income before taxes and compare that with the compensation cost. If they could afford to put in at least 5 percent because 5 percent, I felt, was the minimum, 15 percent was the maximum by law. And if they could put in one month's pay, it was wonderful. We put in a profit sharing plan for Hawaiian Trust right away and we copied a program that some of the banks in New York had where you had a choice. You could take half of your money in deferred profit sharing and half in cash. Two of the assistant vice-presidents, two close friends, went on two different roads. One of them decided to put all his profit sharing contributions and keep 'em in the plan. When he retired thirty years later, he had about \$750,000 in the profit sharing plan. The other assistant vice-president used his profit sharing cash contribution to pay his annual insurance premiums. When he retired, he had \$40,000. Just amazing what compounded tax-free money over a period of time will come to. I used to say that you could count on a 10 percent per year compounding in a profit sharing plan. That was made up of 4 percent stock dividends, 3 percent inflation, and 3 percent from forfeitures. Every plan provided that you had to be there a certain number of years before you could quit and take it all. Maybe five years (20 percent a year), or ten years (10 percent a year) for full vesting. And what you forfeited then was reallocated to everybody else in accordance with his or her account balance. Well this was very beneficial in the end for the owners because they stayed on. The forfeitures would accrue in accordance with the account balance and would compound also. It was a wonderful entrepreneur's program.

WN: Were there corporations as well as limited partnerships, single—what about single family-owned businesses?

RM: Almost everybody incorporated. You could put in a plan for a partnership, but it was best for corporations. There it was a fully deductible corporate expense within certain limits. So we had successful plans and I became the authority and so everybody in town was referring their clients to Hawaiian Trust and to Bob Midkiff. And I became Mr. Profit Sharing.

WN: So you went by recommendations of accountants. Did you also do further research into the company to see that—look at, say, the future long-term survivability or profitability of the business? Or did you rely solely on the accountant?

RM: I relied on basically the quality of the president of the company, the chief executive officer. If he had built the company to where it was and he wanted to share profits, share his blessings, and he did it for—I could see—for good motives, I figured he could cope with whatever was going to happen in the future. If there were no profits, there would be no contribution so there would be no negative for the company. I put in a profit sharing plan for C.Q. Yee Hop, a Chinatown grocery store that wasn't making money. They were a very successful real estate family but their stores weren't doing well at all. When Kwai Dick Chun arranged for me to speak right after Christmas and announce the plan, the company provided beer for everybody. So the employees were all standing around, drinking beer, and waiting for me to speak. (Chuckles) When they [heard] profit sharing, they all said, "There's no profits."

(Laughter)

RM: One of my most successful clients, though, was Sidney Kosasa of the ABC Stores. And that story is a great one. My first plan was—I have the feeling I told this story.

WN: Right, I think you did.

MK: You spoke about the beginnings of the plan.

RM: Yeah, right, yeah. Well that one, that is a multi, multimillion-dollar plan now. Sidney has kept the profit sharing plan. Once every quarter, he would have half his employees meet for dinner and then the next night, the other half would meet. Once a year we talked profit sharing. The other times, they talked about what they could do to make more profits. One of the nicest stories I ever heard was one of the ladies who was a perfume company salesperson. They had a lot of this company's perfumes in the Waikīkī stores. She explained how you sell perfume to the customers there. She came on just before me, as I was the last speaker.

She says, "You have this nice perfume and you have a local person coming in and she's smelling it. And all of a sudden you see a group of Japanese tourists come in the door. You tell this local lady, 'Go way, go way' and you call, 'Very cheap, very cheap' and you show the Japanese, 'Only one dollar, one dollar.' And you show 'em cheap, one-dollar perfume. Then when they start smelling you say, 'Nah, no good. No good. Try this one, this one.'"

(Laughter)

RM: Bait and switch. She said, "That's the key to success in selling perfume to Japanese tourists." You see how that works in ABC Stores in Waikīkī.

I was elected to the Board of Directors of the Profit Sharing Council of America. One year the annual meeting was [in Denver] and there I discovered how they were doing urban redevelopment through the Denver Downtown Improvement Association. The Directors of the Profit Sharing Council of America had spring retreats in very nice places and I got to know a lot of very fine businessmen. One of them was from Texas Instruments and he gave me some huge advice, very helpful to me in understanding people.

He said that Texas Instruments, when they put in their profit sharing plan, had hired a psychologist to do focus groups. They wanted to know how to communicate the profit sharing concept to their employees. They had 30,000 employees of all kinds: Hispanics, Blacks, Whites, Swedes, whatever. All around the country. They concluded in the focus groups there actually are seven categories of employees. I can remember six of them now. The biggest group, 35 percent of any group of employees are "tribalistic." They follow their group leader—they like to work in groups of ten or eleven people. The leader may not be their supervisor, but if their informal leader says, "We're going to go bowling Tuesday night," we go Tuesday night. If he says, "We're going to join the union," we join the union. You're not going to be able to communicate with those ten or eleven people except through their group leader.

The next group is "iconoclasts." If there is a rule, break it. Those people, if you find them, fire them. They're nothing but trouble. Next group is "conservatives." If there's a rule, follow it. He gave an example. When he lived in a subdivision off of a boulevard in Dallas, there was a traffic-actuated pedestal that turned the light green when cars drove up. Well one morning, the pedestal wasn't working. He was the third car in line and nothing happened. Nothing happened and minutes and minutes went by. Finally the second car gave up and went around the guy who was at the head of the line and worked into traffic. So he did the same thing. He looked at that man in the first car who was still there waiting for the light to change. The man was the director of systems and procedures for Texas Instruments!

(Laughter)

RM: The next group was what he called the “manipulators.” They’ll do anything to achieve their objective. He likened them to a top sergeant in the infantry. You tell ’em that we’re going to climb this mountain and he will lie, steal, and cheat to climb it. But they’re very good as an assistant—as, for example, the number two, and the chief operating officer. But the chief executive officer should be “existential.” Somebody who looks outside the box and sees links, like Steve Case, for example. He decides what’s out there that would work better for where he wants to go. He would figure it all out in concept and then delegate to somebody else to do it. Very interesting.

Anyway, Texas Instruments concluded that the best way to communicate to their 30,000 employees was the one universal medium, the comic book. They described the profit sharing plan [in a comic book]. [The characters were] a group of seven employees who got into a van and drove to work every morning. It was a vanpool with a black person, a female, and all kinds of people. Little [dialogue] balloons asked, “What’s this profit sharing plan?” Then one of the characters would say, “Well. . . .” Everybody read all the balloons so they all learned about profit sharing.

(Laughter)

RM: So I learned as I went along a great deal of stuff on communication as well as about leadership.

MK: What did you learn about unions and their reactions to profit sharing plans? How did they feel about profit sharing plans?

RM: They didn’t like them. They wanted authoritarian control over their tribal members. They did not want people working for the company as opposed to being members of the union. Even though I became a friend with both Jack Hall and Arthur Rutledge, through my HVB career, they wanted nobody coming between them and their members. They love rigidity, they don’t want people leaving their job, and they want everything in a box. You get so many cents per hour for doing so much work. If somebody asked you to do more work, why then, the union would have to negotiate with the company to allow you to do that. Very rigid. I’ve always felt that the greatest mistake our legislature ever made was to allow unions in the government. Government workers have security through civil service. Teachers have tenure. They don’t need unions. Now we have civil service and unions and we’ve absolutely straitjacketed the government. You can’t hire somebody, fire somebody, promote somebody, and discipline somebody without going to the union. That’s no way to run a railroad. So the union leaders are not in favor of sharing profits. When they started to unionize the construction industry, I worked out a program for seven or eight profit sharing plan clients like E. E. Black, Pacific Construction, Dillingham, and others. I worked out a program which was acceptable to the [Hawai’i] Employers Council. The companies could continue the profit sharing plan but subtract from every union member the amount of money that the company was required to contribute to the pension plan for the union. So that if they were contributing 8 percent of pay to the profit sharing plan, for example, and maybe 5 percent was going to the union pension plan, then 3 percent of profit sharing money would remain for the union members. I was just beginning to work on that in ’64 when I moved to Amfac. So the idea was dropped, it was too much struggle for the construction companies to negotiate that kind of sharing.

MK: So did you have to negotiate with unions at all or was it more the employers?

RM: Oh no. No, I just worked with companies as a friend and an advisor. I was really the trust officer who was helping them. That’s where I learned the motto which became the success secret at



American Security Bank and at American Trust. “We show our clients how to do what they want to do.” So I loaded my brain cells with all kinds of solutions. I felt like my brain was like a big rolltop desk with little storage boxes. I could recognize a certain kind of situation and say, “Oh, that worked in that situation.” I’d pull a successful solution out of my brain and come up with the solution to do what they wanted to do. That was really the key.

MK: I know that in ’64 you went to Amfac.

RM: Mm hmm.

MK: I was wondering, why did you leave Hawaiian Trust?

RM: (Chuckles) Pretty simple. I’d been representing Hawaiian Trust on the boards of Amfac and Pioneer Mill and O’ahu Sugar, Līhu’e Plantation, all kinds of [boards]—thirty-two different boards. I had to go to meetings all the time. At the same time I was doing my profit sharing and trust work and business development and the Downtown Improvement Association and the state capitol and the Financial Plaza. [I was] busy as a beaver. But the new Hawai’i State antitrust law was legislated. I’ve always thanked Tom Gill. He really liberated me. (WN laughs.) I was on the board of Amfac, Amfac represented John Hancock Life Insurance mortgages, Hawaiian Trust represented the Prudential mortgage department. The law specifically said that you couldn’t be an officer or director of two lending organizations. So I had to resign from all of my Amfac connections.

Harold Eichelberger had lunch with me and he said, “Bob, we can’t lose you. You’re on my executive committee and we just got to have you. Whatever you’re making at Hawaiian Trust, I’ll double it and you will be corporate vice-president for planning of Amfac.” For at least four minutes I thought about that, maybe eight. (Chuckles) Amfac was a wonderful company so I moved over as corporate planning vice-president. I didn’t know formally, anything about corporate planning. I have always been a more existential type of a person rather than a formal corporate planner. But I read a lot of books and started working on planning.

At ten o’clock of the day I went to work at Amfac, Harold Eichelberger called me in to his office and said, “Hey, here’s your first project. The Janss Corporation has walked out of their development agreement at Kā’anapali.” And he said, “What the hell are we going to do with Kā’anapali?”

Kā’anapali had been designed as a destination resort. I suspect the reason I got to be on the board of American Factors was that Evanita’s father, George Sumner, was president of Amfac. So when the Hawaiian Trust director representative retired, George asked Hawaiian Trust to appoint me on the board. I was on the Amfac Board for ten or twelve years while I was at Hawaiian Trust. So I knew an awful lot about Amfac as a board member. After I became an officer, I discovered that officers rarely tell the board all of what’s going on. You only tell them what you think they want to hear. It was revealing.

Anyway, Kā’anapali had been put together—George Sumner had worked with the mayor of Maui to move the federal aid highway back from the beach to make room for development of hotels. They laid out the first development plan, a physical master plan. Sheraton, through a developer, selected the Black Rock at Kā’anapali, as the best site for their hotel. You drive up to the top of the Rock, and enter the lobby. The hotel rooms stretch down the side of the Rock. They persuaded a developer to build the Royal Lahaina as a co-op program. Everybody owned individual cottages. Then they got a developer from California, Leonard Goldman, to build the



Kā'anapali Beach Hotel. They rushed it all because they had negotiated to get a prestigious golf tournament, the Canada Cup. Robert Trent Jones had designed the golf course. It was the first tournament and everything was looking wonderful. Then after the Canada Cup, Kā'anapali began to languish. So Amfac worked with the Janss Development Company, very successful developers in California and Sun Valley. They came in with a very bright group of people to look at Kā'anapali and they negotiated a development agreement, whereby they would have the right to do everything for the future of Kā'anapali.

Well, April 1, '64, the day I went to work, Victor Palmieri, the president of the Janss Corporation, told Harold Eichelberger, "Hey, we've looked at the numbers. We'll never make any money here unless we own the land and can sell it when it becomes successful."

Harold Eichelberger told them, "We're not going to sell the land. It's only leasehold."

So Palmieri said, "Well, regretfully, I'm walking. You can do what you want with our plans, our staff, whatever you like."

That was at 8:30 in the morning. At ten o'clock I was called into Eichelberger's office and said, "Bob, what the hell are we going to do with Kā'anapali?"

So that became my major project at Amfac. We kept the Janss employees and hired the firm that was selected to design the state capitol, John Carl Warnecke and Associates. Very good development planners. We hired an economic planner to work out the economics of what should be and what it would cost. Many of that very bright group of Janss-trained people are here today, doing very well in Hawai'i. Tom Rohr, Earl Stoner and others. We worked on a new master plan. I'd already, as a director of Pioneer Mill [been] working with another member of the executive committee of Amfac, Russell Cades. We started the Lahaina Restoration Foundation. The chief person interested was the manager of Pioneer Mill Plantation and his wife, Keith Tester and Frances Tester. We started doing what we could to restore the Baldwin House [home of Rev. Dr. Dwight Baldwin].

One of the things I had been able to accomplish as a Pioneer Mill director, was to get Pioneer Mill to donate the Lahaina Light and Power Generator Plant, which was located right on the waterfront next to the Pioneer Inn, to the Lahaina Restoration Foundation. The plant was no longer generating power, it was just an empty building. Then Maui County condemned that property, and several hundred thousand dollars of condemnation proceeds went to the Lahaina Restoration Foundation. This enabled the foundation to use the money to do a superb job of restoring the Baldwin House, which was leased from the Baldwin Family. The County took the property and turned it into a small park and a library. That beautified the waterfront. I am still a director of the Lahaina Restoration Foundation, an emeritus director.

The new Amfac master plan and marketing plan became "Beautiful Kā'anapali Beach and Restored Lahaina Town." Lahaina is the former capital of the kingdom. It was the combination of a beautiful beach, beautiful mountains, and restored Lahaina, which gave Kā'anapali the extra spark. As soon as we started extensive marketing, the Kā'anapali hotels became successful. Janss had come up with the concept of a destination resort like a shopping center, with the landlord and the tenants combining their marketing money. Sheraton had done their own marketing and they weren't ready to help. Royal Lahaina [Hotel] was going into bankruptcy. Lenny Goldman wanted to sell his hotel, so Amfac had to put up the whole \$150,000 a year marketing money for three years to get things going. We hired Fawcett, McDermott, [Cavanaugh Associates] to come up

with a plan and brochures and so on. I brought back Buddy Soares from Pan Am—and all that's in that paper [See Appendix]. So you'll find it in detail there.

WN: What models did you utilize and what did you have in mind when you made this connection between historic preservation and tourism?

RM: I took my last ten-week vacation from Hawaiian Trust before going to work for Amfac. Evanita and I went back to a Profit Sharing Council meeting on the East Coast. Then flew down to a Rock Resorts destination in Puerto Rico, and worked our way North by way of St. Augustine, Savannah, Charleston, Williamsburg, flew up to Mystic, Connecticut and ended up at Sturbridge Village, Massachusetts. We had a chance to see what successful historic restorations were doing. St. Augustine became our model. There is a series of historic buildings between the modern buildings with visitors travelling between them on an elephant train of cars. You bought a ticket for the day and you could ride back and forth and get off at every one of [the historic sites].

The Lahaina Restoration foundation set out to restore the Hale Pa'i, the old printing house, the Wo Hing Chinese Temple, the Seamen's Hospital, the Baldwin House, and now the Courthouse, the Prison and the Hale Aloha. So the Lahaina Restoration Foundation has twelve buildings, plus the *Carthaginian* [a brig]. It's been very successful, financially, year after year after year. Tourists come to Lahaina because of the marketing program but secondly, the best thing we did was to buy the property right behind Baldwin House and turn it into a parking lot. The revenue from the parking lot supports the whole program. That is the parking lot for downtown Lahaina.

MK: How did the local people in the Lahaina area and Kā'anapali react to this development and restoration of Lahaina?

RM: Well that's---that's again in the paper [See Appendix]. While I was doing corporate planning, we had a real estate vice-president. He tried to sell isolated parcels in Lahaina owned by Pioneer Mill to developers, contingent on their getting rezoning. He would say, "The price is the rezoned price," and they would pay it cheerfully. Then they would descend on the Maui County Council to try and get the rezoning. Amfac's name was absolutely black. We discovered that he was doing things he shouldn't have done. So all of a sudden, besides corporate planning, I became vice-president for Amfac Real Estate.

Right after I was given the responsibility, I called a meeting of every known property owner in Lahaina. I made a promise that Amfac would sell no more property in Lahaina or Kā'anapali until the residents had approved a new master plan. Our planner, John Carl Warnecke, brought in Adam Krivatsy. He lived there in Lahaina for a year. And with the help of Amfac's new employee, Jack Brooks, and the help of the ILWU, we arranged two meetings a week block by block by block. We would say, "This is what Lahaina looks like now. These here are some ideas for your area. What do you think?" We got plenty of input. Everybody bought into this program and finally we had a finished plan. Then we met with Baldwin Packers. Amfac and Baldwin each put out \$2500, Maui County put up \$5000, the State put up \$10,000, and federal gave \$20,000. We had developed what's called a "701 Plan," which gave us the necessary zoning for Lahaina and Kā'anapali for twenty years. Everybody loved it. It was their plan; it was one of the very first examples, truly, of community input in an area on Maui.

MK: I was reading a section on Amfac in the 1960s in the book, *Land and Power* [in *Hawai'i*]. They talk a lot about Amfac getting the assistance of influential Maui men, such as [Masaru] "Pundy" Yokouchi. What's your take on that?

RM: Pundy was critically important. I gave him several pieces of property to sell, after we got the zoning. Everything fell in place. Pundy is a wonderful man. He and I are great friends. He's the head of the Maui Cultural Center, I'm head of the Hawai'i Theatre. He's on the Theatre board. We're close friends. An honorable person and very effective. My brother-in-law, C. Pardee Erdman, Jr. had told me that he was the man to go see. We also worked with Donald Tokunaga, who's a Maui real estate and insurance man and is also politically effective. Pundy was the key to getting the rezoning of Lahaina and a height limit of forty feet. They were the ones who worked with the Council on that. But the concession we had to give to them was for Ruth Tan of the Banyan Inn. She owned some property down near the Pioneer Mill's manager's house. Today, it is a highrise, The Whaler.

MK: Mm.

RM: That had to be excluded from the new height limit in order for us to get the overall zoning. Another fascinating story, I think is that of Ron Kondo. Historic District Number Two had not yet been passed. The Lahaina area towards Kā'anapali along Front Street, from Lahainaluna Street, was wide open. We learned that the Crozier Family who jointly owned the corner of Front and Lahainaluna Streets with the Kondo Family wanted to sell.

So I went to Ron Kondo and said, "All right, you're the logical buyer. Amfac will arrange a mortgage through Bank of Hawai'i to carry whatever you have to bid. You bid and buy this property. You'll own the whole property and we'll give you \$300 a month override over the mortgage payments until we pay off the mortgage. We'll take full responsibility, we'll lease it from you and then we'll find somebody to develop it properly."

A group of California operators was going to put up a twelve-story building. They used a Hawaiian realtor, really to make it look like local.

(Laughter)

RM: But we outbid 'em and the price was—I forget, twenty bucks or something a square foot, something unheard of for Lahaina. We managed to keep that location from breaking the height ceiling until we got Historic District Number Two. That was very critical.

WN: How was your relations or involvement with the federal government in terms of historic preservation restrictions . . .

RM: They didn't stand in our way. They were not involved. It was mostly County activities. State and County. But zoning was the main thing. We got the County to pass historic district [zoning], which controlled painting buildings and signs and heights. Our idea was that Lahaina would be worth much more to the local owners as a restored historic area even though Kā'anapali could go high-rise. They thought, ho, why not let high-rises jam right next to each other like Waikīkī or Atlantic City. We persuaded the local owners through this long year of meetings that they were much better getting out of the supermarket business, for example, into a tourist-oriented business.

END OF SIDE ONE

SIDE TWO

WN: What did you tell them to persuade them? You know, obviously if you went high-rise, packed it in, you're getting more people with higher density. I mean, there must have been some kind of a . . .

RM: It was a one-on-one persuasion, just that. Now, look at the lease rents you could get as a retail destination resort. We pointed it out. We took pictures of what's happening in downtown Kailua-Kona. We said, "You want that? Or do you want this place looking like it is today with no changes physically? This is what we want to keep, just the way it is today. But we want to change the nature of the operators or tenants inside the buildings and you won't have to work as hard, you're going to collect rents." That is one-on-one. And that was the job of Bob Brooks to go to each landowner along Front Street, and persuade them that the best thing for him, for his family, was just accept change and to tie-in with the tourists who were coming to stay at Kā'anapali. Later, one of the loans I made at American Security Bank was to finance the railroad between Kā'anapali and Lahaina. Tap Pryor thought that'd be a great idea. Mac McKelvey was my assistant at Amfac and he brought Tap's idea and carried the torch for the railroad. Tap was such a successful person that several savings and loans and thrift companies and American Security Bank lent him money. Eventually---now it's making money, but it took a long time.

MK: You know, when you were at Amfac with Amfac developing Kā'anapali and involved in active real estate, what were your relations with Eichelberger at first, and then later on with Henry Walker?

RM: Well, I was Eichelberger's golden boy but I wasn't Henry Walker's. I was his rival. I'd been working on a master plan for all of the properties of Amfac on all the islands. Līhu'e property, Puna property, Pioneer [Mill] property, many of which were in sugar. But I felt that we should be going into real estate development and Henry was tied to sugar. Henry pulled a palace coup and elevated Eichelberger to chairman and was elected president. I realized my time was up.

Fortunately the Chamber of Commerce was putting out one of their big ten-year conferences on the future of Hawai'i. They had asked me to be chairman so I could spend a lot of time concentrating on the statewide economy and that kind of thing. At the same time, Larry Lau, Lawrence B.C. Lau, who had been chairman of Finance Factors, where I had put in a profit sharing plan, had acquired a one-third interest in American Security Bank. His brother-in-law Bill Mau and Hiram Fong with the Finance Factors gang, each owned another third. They were looking for an honest *Haole* to be the front person because they didn't want to be just a Chinese bank. Larry had built up a conglomerate called the Crown Corporation. He felt that there were antitrust implications because he owned a thrift company in the Crown Corporation. So he invited me to be president of American Security Bank. I don't think he knew what was going on at that moment in my life at Amfac. He looked at me as very successful and a good person to take over. Well, that was a perfect sideways move for me and I was happy. I went over as executive vice-president, then became the president. My job was to develop the interracial business of American Security Bank. A fantastic number-two person, Dennis Ching, was a good banker so I didn't need to worry about making loans or bank operations. I was just the marketing office at this point.

I moved to the American Security Bank headquarters on Kalākaua Avenue and helped start the Waikīkī Improvement Association, based on [the] Downtown [Improvement Association]. We got all kinds of people involved. Waikīkī is a different kettle of fish than downtown. Many of the landowners downtown work downtown or owned businesses downtown. The landowner complement really carried the Downtown Improvement Association. In Waikīkī, most of the landowners were absentee owners, so we had to deal mostly with the merchants and they didn't

have the clout of landowners. Nevertheless, we got it started. We hired good people to run it and got going.

Meantime, I was figuring the marketing plan. I'd been so successful with profit sharing I said, "Why not start a custodial trust operation at American Security Bank, concentrating on retirement plans and not offering any investment assistance, just that?"

We got our trust charter and I hired Landy Chapman as the trust officer. I went to call on the brokers. In those days brokerage firms didn't offer custody and so American Security Bank could be the impartial third-party trustee without an investment department which would compete with them. The brokers could do the buying and selling and we'd keep the records. We'd help clients understand pension and profit sharing plans. Well, when I was at Hawaiian Trust with a staff of five people, I was satisfied with two profit sharing plans a month. At American Security Bank, with one guy doing the bookkeeping, I took in two a week. It was really very successful. Then what really happened is that. . . . Let's see.

Oh, George Murphy owned the Aloha Motors site, which is now the Hawaii Convention Center. He wanted to move automobiles out of that area and sell it. Bill Mau wanted to buy that property. He could see a huge future for it. To finance his purchase he needed to sell his one-third stock interest in American Security Bank. He was looking for a buyer and went to Garner Anthony, the husband of Barbie Cox Anthony.

He said, "I'd like you to take a one-third interest in this bank."

And Garner said, "Fine," and paid the price that Bill wanted.

But meantime, Larry had heard about this and went to Garner and said, "I'll pay you three dollars a share more." Garner made a quick profit. Larry had to place that stock, because he couldn't handle it all himself. He went to all of my branch managers and assistant vice-presidents. Using his Honolulu Thrift and Loan, he made loans to buy this new stock. I didn't know anything about this. This was all behind my back. All of my branch managers are now deeply in debt to own shares in the bank. And then Larry starts second-guessing what I'm doing. So when I did find out, I went to Larry and said, "All right. We can't have two bosses. I'm going to be the boss or you're going to be the boss."

He said, "Well, I own two-thirds of the bank."

I said, "Well, fine. I resign."

So I announced at the next board meeting that I was resigning. I thought I had made an agreement with Larry, "If I resign, I'll take my trust operation with me. That's all mine."

So I announced it to the American Security Bank Board of Directors, saying that I was planning to start a trust operation. Well, the token Japanese on the board was Hideo Kawano, a very nice guy. After the board meeting, he came out and said, "I'm also starting a trust company. I've hired Conrad Akamine from Bishop Trust Co. and am getting a CEO from the United California Bank."

I said, "Well, why don't we join forces?" I said, "Here is my business plan. I think I will need \$500,000 to get going. Why don't you come up with [\$]250,000 and I'll come up with



[\$250,000]. We can sell 20 blocks of stock worth \$25,000. You show me your list of ten buyers and I'll show you mine so we can work together. You be the chairman and I'll be the president."

Well, when he brought me his list, four of them were on my list. (MK laughs.) We were so successful that we couldn't stop at twenty, we got twenty-two buyers at \$25,000 each. So we started with \$550,000 of capital and rented some space downtown.

Meantime, Larry Lau changed his mind and said, "Oh, I'm sorry. Those are American Security Bank trust clients, you can't have them."

But that was easy, I just went out and called on each one and they all came with me. So we started out with 250 accounts, 4 employees, \$550,000 in the bank, and a rented office. The rest is history.

WN: This was in '71, right?

RM: Yeah.

WN: American Trust Company of Hawai'i, Inc.

RM: Yeah.

MK: And you were actually running American Trust as American Trust till '84.

RM: [Nineteen] ninety-four? No, [Nineteen] ninety-three.

MK: Oh, '93. Oh, because it became part of a bigger . . .

RM: Yeah, that's right. I kept American Trust as a separate subsidiary of American Financial Services of Hawai'i, which we formed in 1981 in order to buy Bishop Trust. At American Trust, we became wildly successful. Instead of two a week—new clients—we got five every week. We averaged one new account every working day during the time of American Trust.

MK: How do you account for that success?

RM: Because we were in the right place at the right time with this concept of custodial trustee. We were showing people how to do what they wanted to do. We kept good records and gave good service. I found lots of very wonderful employees who were not trained in the trust business but who believed in consumer loyalty, consumer service. Again, the CPAs and attorneys liked the idea of a trust company that was new, unconventional, and wasn't offering a stale package of investments which weren't very good. Nobody worried about us at first. We were just a little company but we kept on growing., both in Hawai'i and on the Mainland, I started using my Profit Sharing Council connections. I soon became an authority on Employee Stock Ownership Plans and a Director of the ESOP Association.

In 1970, the Hawai'i State Legislature passed a new law that allowed professionals to incorporate and adopt a defined benefit plan. I had built a close relationship with an attorney named James Conahan, who was with Torkildson Katz & Conahan. They were a husband and wife team, Jim and Kathy. He became the authority in Hawai'i on how a doctor could set aside a huge percentage of his compensation into a defined benefit plan. If he came to American Trust Company the doctor could invest it, borrow from it, and do all kinds of wonderful things. We had seven



hundred common clients with this one attorney. Almost every medical clinic became a client: Straub, Honolulu Medical Group, Central Medical, Kalihi Medical, so on. Today, all these retired doctors come up to me and shake my hand and say, "Thank God for you." (Chuckles)

WN: Plus also, this was the late [19]60s, early [19]70s, really boom times here.

RM: Oh, absolutely.

WN: Construction was up, business was moving up. So. . . .

RM: Yeah, right. And all these doctors were very successful because reimbursements were great. Dr. Richard Mamiya, one of our original investors, was doing three open-heart surgeries a day. Fifteen thousand dollars per open heart surgery.

MK: Whom did you have for competition in those days?

RM: Nobody. Basically the brokerage firms didn't offer custody. The brokerage firms would bring their clients to us so that the brokers could manage the money. We allowed the brokers to come and the attorneys to bring their business, or any CPA. We were wide open and just a friendly advisor showing people—keeping 'em out of trouble. Showing them how to do what they wanted to do.

MK: And at your company, you had yourself at the head, you had Hideo Kawano . . .

RM: The chairman.

MK: . . . and you had mentioned earlier that at American Security Bank, your aim was to develop a multiracial type of business.

RM: Yeah.

MK: Was that the case then at American Trust?

RM: We had---indeed most of the directors were Japanese. We had some Chinese.

MK: So your clientele, was it. . . .

RM: Multiracial, yeah. Multiracial. Any race. Absolutely no discrimination. Whoever needed help we were glad to deal with them. Just because we were so wide open, and efficient and friendly, every accountant and attorney in town felt free and easy to recommend us. I was very active in the Hawai'i Estate Planning Council, which I helped found. That's another organization that was started back when I was at Hawaiian Trust. There were four founders, Russell Cades, the attorney, Charles Moses was the CPA, Ed Mintz, the New York Life [Insurance Co.] underwriter, and Bob Midkiff, the trust officer. We had monthly meetings and I really made lots of friends through the Estate Planning Council. I would speak quite often. We put on a lot of seminars and invited referral people, CPAs, brokers, and others, real estate brokers, to come with their clients.

We got the law changed to allow the Hawai'i Land Trust, a simplified method of real property ownership. This turned out to be very fortunate because people could put their real property in a land trust. Because they didn't "own" real estate they were qualified for leasehold residential conversion. When the leasehold conversion came along, the law read that you couldn't own

another piece of property on this island and convert your Bishop Estate or Campbell Estate leasehold property to fee simple. People could put their other property in an American Trust Land Trust and they technically didn't "own" it. We got lots of business that way. I hired a fantastic lady lawyer, Carol Mon Lee, just a genius, as the head of that operation. She's now the [associate] dean of the [William S. Richardson School of Law, University of Hawai'i at Mānoa]. She's an angel. We bought all the land trust information from the Chicago Title and Trust on how to do it and became the Hawai'i authorities on land trust. So there were a few little niches for us that were pretty unique. Retirement plans were our bread and butter. I became an authority on advanced estate planning, and how to use charitable trusts and gifts. The charitable remainder trust, charitable lead trust and pooled income fund and so on. Shall we talk about Bishop Trust?

MK: I was wondering—do you have time today for us to discuss how you brought Bishop Trust back to the islands?

RM: I can go till 10:30.

MK: You know, I didn't ask you much about, say the Downtown Improvement Association and the capitol, because I know you had written that piece.

RM: That's it. It's all in there.

MK: In the [*Honolulu Advertiser*]. We can always republish that.

RM: The other thing that you don't have is the story of *Star-Bulletin*.

MK: Yeah, which we don't have too.

RM: Yeah, that's an interesting story.

MK: Let's see.

WN: We'll talk about that and then we'll end at Bishop Trust.

MK: Okay.

RM: Yeah, let's not do Bishop Trust, just do the *Star-Bulletin*.

MK: Okay, okay.

RM: One Friday afternoon I get a call from my college roommate and close friend, Thurston Twigg-Smith. I was on the board of *The Advertiser* at the time.

WN: This is---what date are we talking?

MK: [Nineteen] sixty-one, yeah. You put together a group that purchased the *Star-Bulletin* in late 1961.

RM: [Nineteen] sixty-one.

MK: Yup, got it.

RM: I was still at Hawaiian Trust and I was on the board of *The Advertiser*. Lorrin Thurston, then chairman, had asked me to come on at Twigg's recommendation.

Twigg came to me and said, "You know, we have a marvelous opportunity. Part of the Farrington Family wants to sell the *Star-Bulletin*. They have hired a broker and the broker has talked with Chinn Ho. Chinn had an investment banker who was going to help him finance the purchase. That investment banker has backed out. Chinn has an in with the newspaper broker but no financing. Could you help buy the *Star-Bulletin*? Then we'll put together a joint operating arrangement."

He asked me, "Do you have any figures for the *Star-Bulletin*?"

"Why yes," I said. Our family, the Athertons, owned 30 percent of the *Star-Bulletin* and I had inherited a small block of stock in the *Star-Bulletin* so I receive the brief annual report as a stockholder. Twigg came over Saturday morning and we sat in my office all day long, looking at the annual report of the *Star-Bulletin*, showing the gross operating profit the net income, debt, so on. And then he brought up the figures for *The Advertiser*, which was a failing company, while the *Star-Bulletin* was very profitable. We calculated what the benefit would be if there were only one printing press, one advertising sales operation for both companies with incentive packages for advertising in both papers, and one delivery system. The net savings were just huge. Just huge. I asked Peat, Marwick, and Mitchell [and Co.], (Frankie DePonte) to look at our revised figures the next week. He came back and said, "This is one hell of a deal."

So then I went to Ballard Atherton who was president of Hawaiian Telephone as well as chairman of the Juliette M. Atherton Trust. Actually, the Atherton Family had financed the purchase of the *Star-Bulletin* for the Farrington Family many years ago. They had given Wallace Farrington his stock and kept about a third of the company. So the Athertons had been passive investors.

I said to Ballard, "If we put this together, these are the numbers. Will you agree to keep the Juliette M. Atherton Trust in as an investor in lieu of selling?"

He says, "Yeah, that looks pretty good. Yeah, sure. Well, who else should we get?"

I said, "Well, I have seen the list of the people who'd just gotten final cash distributions from the liquidation of the Honolulu Oil Company. (The company was originally started with Big Five money.) Jack Waterhouse received a million dollars in cash just a few weeks ago. How about having him be an investor?"

"Oh, that would be fine."

So I went to see Jack and said, "Look, Ballard would like you to be a co-investor in the *Star-Bulletin*."

"Ballard would like me to be? Ooh, I'd love to join."

So we got him. That's two. My mother took a small part. I went back to Alexander Atherton, whose desk was next to mine who was then the head of the Hawaiian Trust brokerage department. I said, "Here's a list of potential investors. Who do you think would be a good investor?"

And Alex said, "Could I be one?"

"Sure."

So we put Alex and Ballard in. Then I was walking up the steps of the Pacific Club when I ran into Senator Doc Hill from Hilo. I knew that he only invested on the island of Hawai'i. I said, "Doc, if you become an investor at the *Star-Bulletin*, I'm sure you will be able to buy the *Hilo Tribune-Herald* when the deal is completed. Would you come in?" So he agreed. My mother and I invested the balance of the purchase price.

So we had 80 percent of the *Star-Bulletin* investment. Chinn Ho owned 20 percent with his *hui*. Chinn had the relationship with Vincent Manno, the Farringtons' broker. Manno thought it was a great partnership. We had a most interesting court trial because Betty Farrington was unhappy. She would be out when we took over. She'd been the nominal chairman of the board. She was Hawai'i's Delegate to Congress and she fought like mad. She claimed she could produce a buyer with a higher price than we offered. I'm not sure. At any rate, Judge Ronald Jamieson found for us and we were able to complete the purchase.

Meantime, I had proposed a fifty-fifty sharing of net profits by the two papers. By this time, Ballard had had a stroke and died, so I was representing the Atherton Family. At the first meeting, Chinn said, "Fifty-fifty won't go. Look at this." And there was a chart showing *The Advertiser* making maybe \$30,000 a year and *Star-Bulletin* making over \$1 million a year. "It's not right," Chinn said. So they bounced me as a director. And Chinn took over with Alexander "Pug" Atherton as the titular president. But the joint operating arrangement became wildly successful. Over the years the *Star Bulletin* had to renegotiate with Twigg, and with Russell Cades representing *The Advertiser*. They worked out a new arrangement that became a fifty-fifty split over time. It's been very, very successful. Chinn later sold the *Star Bulletin* to Gannett. The cost basis of my shares in Gannett turns out to be about \$1.50 a share. A hell of an investment. Anyway, that was an interesting story.

MK: That's a good place to close.

WN: Okay, let's end right here.

MK: Good, we made a lot of progress. The next time, we'll get back to Bishop Trust, your establishment of American Financial Services, and cover both firms.

END OF INTERVIEW

Tape No. 33-7-6-00

ORAL HISTORY INTERVIEW

With

Robert Richards Midkiff (RM)

Honolulu, O'ahu

January 26, 2000

BY: Michi Kodama-Nishimoto (MK) and Warren Nishimoto (WN)

WN: This is an interview with Robert R. Midkiff on January 26, 2000 and we're at his home in Honolulu, O'ahu. The interviewers are Warren Nishimoto and Michiko Kodama-Nishimoto.

MK: We're in 1984. (Chuckles)

RM: What are we doing there?

MK: And you've brought Bishop Trust back to the islands.

RM: Okay.

MK: And I'm going to ask you how that was accomplished. So. . . .

RM: And you have that little pamphlet?

MK: Yeah.

RM: "Bringing the Ownership of Bishop Trust Back to Hawai'i—A Mid-Course Correction in Planning."

MK: Yes.

RM: I think that explains it as well as or better because that paper was written when it happened. That was a speech I gave to the Hawai'i Corporate Planners Association. When Lionel Tokioka called and said that Crocker Bank was offering to sell the Bishop Trust Building, I figured, all right if they're going to do that, they'll sell the Trust Company. They had purchased it as an exercise in ego for the then chairman of Crocker Bank, Tom Wilcox, who wanted to ride into town and show a big presence from San Francisco over here. And it never worked out that well. He sent down a very nice lieutenant, Clare Harding, but he was not dynamic. They really didn't make any money with it. So I figured that buying Bishop Trust would remove some of my competition.

MK: Hmm.

RM: And also would give me another leg for a three-legged stool. We would have a trust company with full service and investment management and then also American Trust. We would not merge the trust companies, we'd keep them separate, but put an umbrella over them, to be called American Financial Services of Hawai'i, Inc. Investment bankers were hired by Crocker Bank to offer Bishop Trust Company. Our directors met and made our best offer, we thought. The bankers

called and said, "Well, there's another group that's a little bit higher than you, but you do offer a lot of positives. Would you be willing to go up a little higher?"

I gulped and said, "Yes."

And we did buy it and then the problem was how to finance the purchase. That was very interesting. Because of my belief in Employee Stock Ownership Plans [ESOP], we talked with our banker from United California Bank, Fred Percy, and told him we wanted to use ESOP. We would need a bank loan to buy Bishop. I forget the price, 4.5 million [dollars], something like that.

And he said, "Well, you don't have enough equity."

So we issued one million 12 percent cumulative preferred stock and borrowed, I think, 2 million [dollars], something like that. We installed an ESOP, which also borrowed a million [dollars]. So we picked up the 4 million [dollars], all from our existing stockholders plus the employees. So it was financed, and the employees ended up with 20 percent of the entire company. I found Ed Carter was available. He had just retired as senior vice-chairman of Dillingham Corporation. I think that story's in the paper.

MK: Mm hmm.

RM: And then we let go seven Bishop Trust people that I thought were the least productive. We had already hired a very good man, Ray Dix, who had recently left Bishop Trust to come to American Trust. He'd tell me these people you should promote and these people you don't need. We gave them all very fair separation pay and then said, "That's it. Let's go."

Ed Carter came to work and applied good management principles from Dillingham, asking people what they were doing and why they were doing it. He arranged employee opinion surveys, giving them a chance to restructure. He's a wonderful person. I left him almost entirely alone at Bishop because he knew what he was doing. We did restructure the Bishop investment department. We brought in an investment advisor who'd had a fabulous record of success. He negotiated a very fat contract with us which we later had to cut back on, but the investment results were very remarkably better. Meantime, American Trust was continuing as a custodian only. But we did combine the personnel office and other parts of the back offices, and moved our trust accounting to the Bishop Trust computer department. Got a new computer to handle on-line processing where we had previously done batch processing. Before all the tickets would be added up at the end of the day and entered in the computer. So we went to on-line and we got some new DEC computers to do that. We brought out experts from Atlanta to put it all together and they worked and worked and worked. Finally, they said, "Everything's okay." And the computer crashed right away. So they worked some more and it crashed again. So I finally concluded that computer conversion is a religious experience.

(Laughter)

RM: We brought in the Reverend David Kaupu from Kamehameha Schools and all of us stood around with hands clasped while he blessed the computers. He sprinkled holy water with the *ti* leaves. We asked the *akua* as well as the Lord to help us and the computers worked!

(Laughter)



RM: I figure if you're going to bless a building, why not bless a computer.

Anyway, at the end, we all sang "*Hawai'i Aloha*" and tears flowed down from our eyes and the computers worked. It was a great experience.

MK: This is for real?

RM: For real, yes. Excuse me.

(Telephone rings. Taping stops, then resumes.)

MK: Okay, you just told us about the . . .

RM: Computer.

MK: . . . Reverend Kaupu blessing your computers so they'd work.

RM: Yeah, right.

Well, we just plugged away to improve. One day, the next great fortunate thing, was that my good friend, Sharon Weiner, of Stryker, Weiner [and Associates] called and said, "I have a girl you should meet and her name is Darcia Hunt." She'd been a senior vice-president of Security Pacific Bank in Oregon. Her husband had been hired by Bank of America to come down and be the head of Bank of America in Hawai'i. She came along with him, looking for a top-level job. Well, we needed a top-level person, we really did. And so after interviewing and checking references and stuff, I gave all the internal workings of both companies, to Darcia. She is a no-nonsense, smart lady who really studied everything we were doing. At that time we had over 300 employees. With attrition and her guidance, we dropped down to about 220 over two years. We started making some real money and doing much better. Nobody who dealt with clients was affected. Our securities processing people went on line with the Banker's Trust Company to do the security processing for both companies. She was a perfect fit for us. Later she was diagnosed with breast cancer. She was going to be the successor to Ed Carter and me. After her diagnosis, I came to realize that it was time to sell the companies.

By a fortunate coincidence, Thurston Twigg-Smith had received a letter from a company broker, named Kirby Westheimer, from New Jersey. He is a Yale man, with a Harvard MBA. His letter was persuasive. He pointed out how he could sell a company for its use to the buyer instead of benefit to the seller. A very interesting concept. In other words, he would search out potential buyers and figure out how they would profit if they owned American Trust and Bishop Trust. So I flew back to New York and we met at the Harvard Club. The manager of the Club tossed us out of the sitting room because Kirby was showing me papers and computer printouts rather than having a drink like a gentleman. He put us in a back room, back with the servants. Kirby spent an hour explaining his methods at length. I was very impressed. I asked Dean Witter and Kirby and some other corporate broker, the three of them, to come look at our companies and make us an offer to sell them.

Kirby did a very interesting thing. We had twenty-two board members and he handed around twenty-two pieces of paper.

He said, "I want you to write down, each one of you, what you think the company is worth. This company, American Financial Services."

And some of our directors put \$10 million, some put \$15 million. Remember that all they had invested in our companies was \$25,000 to start with. Some had put another \$100,000 in for the 12 percent debenture. I was more optimistic than the rest.

I said, "Twenty-five million."

I was the only one that was up to that level. Well, we picked Kirby Westheimer over Morgan Stanley, Dean Witter. Now, selling a company is sort of like having a baby. Kirby said it would take a minimum of nine months, probably a year. In fact, he said, "If I had two years, I could really make lots of money for you." Well, the two years worked out. He insisted that Darcia and our senior vice-president of finance, Lloyd Kaneshige, concentrate on improving our net profit. Meantime, senior vice-president for marketing, Frank Hong, and I had worked out a fantastic program with some legislative help. The State passed a new law to permit American Trust to sell insurance, although we were a trust company. This had been a no-no. But we did it. Actually, we never applied for a license to sell insurance. But then we never actually sold the life insurance. Frank was a very good lecturer-salesman and put on superb seminars. We would make an arrangement with any good insurance man who had a good potential client. We would help him sell insurance to his client because of the seminar and Frank's consulting. The insurance agent, in turn, would pay us one half of his commissions for the first two years. Well, by the time this really got going, we were making \$2 million a year from the program without selling an insurance policy.

MK: Hmm.

RM: We really helped these individual sales people sell insurance to their clients. We threw in a super estate planning program and real-property estate planning. We came out with a second-to-die life insurance package through Manufacturer's Life. It was just a wonderful program. For example, when I sold the company, I signed a charitable remainder trust to provide life income for both Evanita and myself, with \$2 million to charity when we both died. I then bought one of our second-to-die policies for \$2 million. I had to pay \$50,000 a year for seven years, but our heirs will get \$2 million of insurance when the second of us dies, without federal estate and income taxes. A magnificent program.

WN: Was this called second-to-die?

RM: Second-to-die insurance. This program was going gangbusters. We had all this additional revenue coming in. Meantime we were showing less and less expenses through the hard work of Darcia and Lloyd. The company numbers really looked good. Kirby looked over his list of potential buyers and narrowed it down to ten or twelve. A year later, he sent out flyers to each one, showing expected levels of growth and what could happen for the potential buyer if they took us over. It got down to really tight bidding between First Hawaiian, Bank of Hawai'i, and Wells Fargo Bank.

Wells Fargo came up with, I think, 35 million. Bank of Hawai'i offered 64 million at first. (Chuckles) But that was in cash. Wells Fargo was going to give us stock. So Kirby negotiated very tightly with Bank of Hawai'i. The Bank said, "Well, I'll tell you what. We'll pay 53 million cash now, and we'll assume all future liabilities. Sixty-four million is for a seven-year payout. If any suits came up, why then we will deduct those costs from the 64 million."

I knew that we had no suits pending. We had always settled immediately with a client who might have a claim. In twelve years, American Trust Company had one lawsuit—well, there were two.

Two lawsuits in all the years since 1973! One was where I could just see that the co-trustee of her deceased husband's trust (we had no investment responsibility) was really doing stupid things and we tried to stop it. She hired a sharp lawyer and she won, but she continued to do stupid things and the company went bankrupt. Then the other suit—a lady took us to court over the drop in the stock market in 1987. We'd been able to follow client instructions and sell everything very well, except for this particular person. We couldn't get papers signed in time, so we had to settle out of court for that. We went through arbitration. But other than that, American Trust treated people properly. If we made a mistake, we acknowledged it and made it good. That's why we grew so fast because people knew that we were fair, square dealers. The referral sources, the attorneys, the CPAs, the estate planners, the financial planners liked us for that. We averaged one new account every working day from the day we opened. Our clients stayed with the company until we sold it. It was a very successful company.

MK: You know, with the company doing so well, did you ever have second thoughts about selling?

RM: No, because by this time I was seventy-three and I didn't want to keep on working that hard forever. Ed Carter was talking about retiring and Darcia had breast cancer.

MK: If Darcia had not had breast cancer, would you have continued it?

RM: Probably, yeah. She could have done very well. And then---well, she's still alive in cancer remission, living in Oregon, but at that time we thought her days were numbered. The Bank of Hawai'i is very happy with our business. However, they didn't follow through with our brilliant insurance program. They had a mind-set that they would get insurance powers and have every branch sell insurance through tellers. Well, that has never worked and it never will work. (Chuckles) Tellers just don't understand the benefits of advanced estate planning, and dealing with and through the existing insurance agents, for their better clients, who needed advanced services. Anyway, it was a very happy program.

One of the key reasons we selected the Bank of Hawai'i was their promise to offer every single employee of the two trust companies a job somewhere at the bank. I knew that if Wells came in, maybe one-third of our employees would be out. They would take the back office up to California. The Bank of Hawai'i told me, "Hey, we hire three to four hundred new people a year and here we're getting 225 experienced people. This is wonderful. Not necessarily will we keep them in the trust department, but we'll keep them somewhere in our bank." So my people were spread all around. The Bank tells me that they are happy with their purchase.

We were very fortunate to get through the U.S. Anti-trust Division during the merger. After you file, they have so many months to respond. It just happened that President Clinton had appointed Zoe Baird to be his attorney general. It turned out that she had hired an underage [illegal alien] nanny and so she was rejected. And in that interim, there was no attorney general to deny our merger. (Chuckles) So we snuck through the anti-trust laws. Just lucky timing! We had good Hawai'i lawyers and they had some wonderful Washington lawyers. Jim Case of Carlsmith Wichman Case et al. was our local advisor. It was a very successful ending of a very successful company and a very happy chapter in my life.

WN: Other than Bank of Hawai'i being the highest bidder and the fact that, you know, it's going to stay in Hawai'i and so forth.

RM: And they were going to hire every employee. That was the key.

WN: That was the key?

RM: Yeah, yeah.

WN: In hindsight, would you---I mean in retrospect would you . . .

RM: We could have made more money if we'd taken the Wells Fargo stock.

WN: Okay.

RM: Over time the Wells stock would have appreciated to more than the 53 million cash. Later Wells had a big run up of value. But it doesn't matter.

WN: Were there any other pressures to sell to Bank of Hawai'i as opposed to selling to a Mainland company?

RM: Well, my Great-grandfather helped to start the Bank of Hawai'i. I bank there and have many friends. I thought my employees would be in good hands. So we were very pleased that they came up so well. They have made positive comments in their annual reports about their trust operations and how it's grown. They thought the reason it would be so good for them, as Kirby pointed out, is that they would pick up 6,000 wealthy clients.

(Telephone rings. Taping stops, then resumes.)

WN: Okay.

MK: Okay, we're back to Bank of Hawai'i purchasing the American Financial Services and the benefits that you saw in having Bank of Hawai'i.

RM: Yeah. Bank of Hawai'i would benefit by having 6,000 clients, many of whom had no trust investment advisors. I mean, they were choosing their own investments while using American Trust as the custodian for their assets. Bank of Hawai'i would have the opportunity to sell their new clients Bank of Hawai'i investment services, insurance services, and other services. So they would have a wonderful new group of in-house clients.

I don't know how successful they've been. They were---I think they've been loading more sales activities on service people. I never did that at American Trust, I would always have the service person find out if there might be a sales opportunity and then my salespeople would go out and do the job. An employee, whose temperament fits him or her for a service job and likes to take care of a client, doesn't necessarily feel confident recommending all the advanced techniques that are possible in estate planning. Anyway, that is their decision [to have service people involved in sales]. I've washed my hands completely. I see lots and lots of former clients and they tell me that they were very happy with our service at American Trust.

MK: When Bishop Trust was brought back to the islands, the newspapers made a pretty big deal about it because Bishop Trust had started in the islands but had been purchased by a Mainland firm and now you were bringing it back.

(Telephone rings. Taping stops, then resumes.)

MK: So we're just---I was just about to ask you a question where Bishop Trust was a local purchase, you brought it back. And then your own company, American Financial Services, was again sold locally to the Bank of Hawai'i. How important was it to you, or to the local business community, to keep these businesses locally held?

RM: I think the key was really the clients. Maybe 97 percent of Bishop Trust clients are local and probably 60 percent of American Trust clients are local. One of the advantages of American Trust Company was that we were able to gain 300 clients in California alone. Those clients met us through a number of seminars and dealt with us through an 800 number. They didn't worry about a local—Bank of Hawai'i—name or something like that. They felt very good and that was very easy. When we were doing Mainland employee stock ownership plans, they could tell their employers that they were dealing with American Trust Company of Hawai'i. That was a good name for Mainland clients.

The name Bishop Trust, of course, has a lot of meaning for local people. So Bishop Trust clients were very much reassured that two reputable people, Ed Carter and myself, and a local board of directors, were going to take care of their children and beneficiaries for future generations. So that's the key to that. Selling to Bank of Hawai'i kept up that reassurance, which was preferable. That really is what you're trying to do, make and keep clients happy. It's very important what the general community thinks about you, in terms of whether or not they will become your clients. They knew that they had a trust officer here, a local person, and they have become accustomed to dealing with him or her. They were pleased that that person would continue to be their trust officer. So there are many advantages in this personal business, the trust business, to having a local ownership and local management.

MK: You know, as you look back on your long career in the trust business, you've had an extremely long career. How would you evaluate it?

RM: It was a wonderful career. It was wonderful dealing with nice people, and some not so nice. At Hawaiian Trust we had all kinds of characters, beneficiaries of the trusts that were set up by their parents to try and keep them from drinking themselves to death. I had a great learning experience, burnishing my brain on the estate and inheritance taxes. At the end of life, taxes bring everything together and paint a picture of the financial status of this deceased person after he or she has passed away. Probate accounting is very interesting, what's principal, what's income. I was thoroughly grounded in the trust business and could see the potential as the wealthy get wealthier. I think it's a huge business.

There is speculation that \$10 trillion will pass from my generation to the next generation. I'm delighted to see my daughter, Robin, working for Chase Manhattan as the Hawai'i vice-president for personal banking services. She, in turn, is proud of the fact that she started her career at American Trust Company of Hawai'i, then went on to Bank of America in San Francisco, then Wells, and now Chase. I'm delighted to see somebody carrying on that tradition of service. I think the motto we picked, "At American Trust, we show our clients how to do what they want to do," was perfect and successful. I'm very pleased with that.

And I have been able to use the contacts, which I made through the trust business, in various community services. When I was at Amfac, it was the Hawai'i Visitors Bureau because that helped the Kā'anapali development. The Downtown Improvement Association helped Hawaiian Trust clients. When I moved to American Security Bank, I started the Waikīkī Improvement Association. That brought local people in to the Bank and helped them to understand what the



Bank could do for them. And then the profit sharing plans, of course, built up lots and lots of friendships.

I was also very active in politics, indirectly. Have we talked about that at all?

WN: Not yet, but this is a good time to talk about it.

RM: As a result of my active involvement in the program to cleanse the League of Koreans residing in Japan from their communist leaders from North Korea, I became alarmed by the damage to all of Hawai'i by the 1949 Dock Strike, led by Harry Bridges, Jack Hall, and Lou Goldblatt. They were later on trial in federal court for their communist connections. I became an activist.

In 1954, Betty Farrington ran for the post of delegate to Congress to carry on the crusade for Hawaiian statehood after the death of her husband, Delegate Joseph Farrington. Her opponent was Jack Burns. In those days Kāhala was one very large political precinct, both geographically and numerically. Homeowners, many of whom lived in new homes with very low lease rents from the Bishop Estate, populated Kāhala.

With a group of young Republican friends, we obtained both the tax maps and the list of lessees from the Bishop Estate. We carried out a classic case of block-by-block organizing with a Republican block captain resident on each block.

I remember making a political house call one afternoon. There was a wire-haired terrier chained to a post in the garage. It seemed safe to walk across the lawn to the front door because the little dog appeared hopelessly entangled in his chain. As I knocked on the front door, I felt his sharp teeth buried in my calf. The vicious little beast had successfully run round and round the pole to which he was attached and untangled the long chain!

As a result of our hard work, Betty Farrington received 700 more votes from the Kāhala precinct than Jack Burns. And she was returned to Congress with a 700-vote majority of all the voters in the whole Territory of Hawai'i!

My deep involvement in politics began with the campaign to persuade the Territorial Legislature to vote funds to build the capitol and approve the Capitol District. George "Scotty" Koga and I worked both sides of the aisle over several years, calling on every member of the Senate and House several times. Our campaign was almost too successful. Because of the momentum we built up, several legislators tried to trade their vote for the capitol in exchange for some pet project of theirs.

Although I was still a Republican at the time, (I labored in the unsuccessful campaign of Samuel P. King for the U.S. House of Representatives) the friendships that I built with many of these politicians helped me immensely when I returned in later years to ask for favorable trust or tax legislation.

During the capitol campaigns, I was invited back to Washington several times to help in national retirement legislation. I became a close friend and admirer of Representative, and later, Senator Spark Matsunaga. With his help, I could easily arrange appointments with key members of the Senate Finance and Labor Committees. I testified before Congressional Committees several times.



Sparky asked me to serve on his campaign cabinet and I became campaign secretary during two election cycles. He told our friends that his proudest political success (he was a smooth politician) was when he “converted” me, a *Haole* businessman, to become a card-carrying member of the Democratic Party.

He was a wonderful man and a wonderful friend. I treasure our many conversations. One day I received a phone call from Ms. Cherry Matano, his legislative chief in Washington. The State Democratic Party was to have a rally that night in Waipahu at the August Ahrens School Cafetorium. Would I speak as Sparky’s substitute because he had to be in a mock-up session of the Senate Energy Committee? He was co-sponsoring a bill that was important for Hawai‘i.

So I drove out to Waipahu, found the school, and observed three or four hundred Democrats outside the cafetorium, enjoying the food and soft drinks. About the same number were inside, listening to the chairman of the Hawai‘i State Democratic Party, Governor Jack Burns, and Senator Dan Inouye.

Sparky’s fundraising campaigns consisted of one or two newsletters a year to his constituents. Besides an update on Washington, the letters also requested money to be used to feed his Hawai‘i friends and constituents and their families when they visited Washington. His custom was to reserve one or two luncheon tables for visitors from Hawai‘i daily in the Senate Dining Hall.

So I started my speech with a question, “How many of you nice people have been to Washington? Please stand up.” Perhaps two-thirds of those in the hall stood up. Then I asked, “How many of you nice people have had lunch with Senator Matsunaga in the Senate Dining Room? Please remain standing. The rest of you may sit down.” Almost everybody remained standing.

One final question, I asked. “How many of you have tried Sparky’s favorite soup, navy bean soup, in the Senate Dining Hall? Please remain standing.” Nobody sat down.

“Thank you,” I said. “That’s my speech.” Everybody cheered, and I sat down.

At one point my Democratic Party hubris got to such a height that I thought I could be elected to be a delegate to the State Democratic Convention, representing the Democrats of Kāhala. I was brought back to humble reality when I was roundly defeated for the post by [Matsuo] “Matsy” Takabuki, at that time a member of the Honolulu City Council. This was before he was appointed a trustee of the Bernice P. Bishop Estate.

After that I remained in the background, befriending many good people from both parties. The list of political friends and mutual supporters has become lengthy over the years and has stood me and my causes in good stead.

Bill Quinn’s defeat by Governor Jack Burns brought us to become close friends. When I returned from the wonderful experience of the Harvard Business School Advanced Management Program (the defeat came while I was away at Harvard) Nancy Quinn threw her arms around me and thanked me because they returned to private life unencumbered with a debt.

A group of ten or twelve of our friends, including the Quinns, met once a month to discuss Mortimer Adler’s list of “The Great Books.” We would potluck at each other’s home and the host would be the discussion leader for the evening, often inviting a guest expert to liven the discussion. After finishing the first 100 books, we kept on meeting to discuss the host of the month’s choice of a worthy book. Bill was very bright and was one of our stars.

Jack Burns was a very private man with a small circle of close friends and advisors. One of his kitchen cabinet advisors was Hung Wo Ching, Chairman of Aloha Airlines and later a trustee of the Bishop Estate. Hung Wo asked me to be his lieutenant in the first truly interracial Aloha United Way Campaign. The other vice-chairman was Bob Sasaki, a vice-president of the Bank of Hawai'i. This was the first time in many years that the campaign went over the top and exceeded the goal.

A few years later, the prospective volunteer chairman of the Aloha United Way Campaign was called away by his company and I was asked to step into his shoes. As a result of my training with Hung Wo Ching, our campaign broke another long string of unsuccessful campaigns and we also went over the top.

When our home burned down in March, 1970, Hung Wo called up to offer us the use of the old home he had just purchased, five lots down Kāhala Beach from our devastation. Our two boys were able to keep their newspaper delivery routes in the Kāhala area without a hitch. We lived there for six months while our new home was being rebuilt. Hung Wo was fiercely proud that he was the first Oriental who was able to purchase a Bishop Estate leasehold and live on the water in Kāhala.

He was an entrepreneur and very successful real estate developer, initially of cemeteries, who earned a Ph.D degree. I co-invested with him in several projects. He was a generous man, believing in "sharing his blessings."

It was about 8:00 p.m. on a school night just before our income taxes were due when our home burst into flames. We were overwhelmed with the offers of help, places to live, and clothing to begin our lives again. The fire was a traumatic event in the psyches of the three youngest children although they escaped without physical harm.

Evanita and I brought up five children, three girls and then two boys. The oldest, Mary, was born in August 1949, Robin in September 1950, and Shelley September 1952. After three girls, Evanita asked a gynecologist how we were ever going to be able to have a boy. He immediately responded, "Stay away from Christmas parties." Bobby was born on "Boys' Day" in May, and David was born in April. We had five active young children before the oldest was eight years old.

They all grew up on Kāhala Beach. We have always had small boats, starting with an experimental flat-bottomed catamaran, the *MaRoLey*, named for Mary, Robin, and Shelley. We had several El Toros and racks to hold eight El Toros for our friends. We soon graduated to a 10-foot fiberglass dinghy with a jib and a mainsail, along with a kick-up keel and rudder. There were many Sunday regattas along Kāhala Beach.

Each of our daughters has produced two children, and we dote on them as proud grandparents. After we sold the trust companies, we were able to set up two educational trusts to pay all of the educational expenses for all of our grandchildren. This has relieved our children of a huge burden. The children and grandchildren all have in mind the missionary heritage of sharing your blessings and giving back to the community.

MK: Speaking of "giving back" to the community, can you can talk a little bit about your involvement in your Atherton Family Foundation?

RM: Oh, yes. Back when I was at Hawaiian Trust Company, it was known as the Juliette M. Atherton Trust. Hawaiian Trust had one officer, a dear old man named Emil Berndt, who served the Castle

Family and the Samuel N. and Mary Castle Foundation (which is probably the oldest family foundation in America). He served as both the secretary of the foundation and as a Hawaiian Trust officer. Hawaiian Trust kept the foundation books and was investment advisor.

The office of the J.B. Atherton Estate was closed in December '41 under a favorable federal tax law; just after December 7 and before the year-end. The assets of the J. B. Atherton Estate, which included 33 percent ownership of Castle & Cooke at that time, were distributed to individual members of the family. Juliette M. Atherton left 20 percent of her estate, which included a substantial block of Castle & Cooke stock to the Juliette M. Atherton (Charitable) Trust with her three children named as the trustees.

When the office manager of the Juliette M. Atherton Trust retired, I persuaded the trustees (my Mother was then chairman) to name Hawaiian Trust Company as their agent. I became the assistant secretary of the Atherton Trust. Now this was back in 1948.

Shortly thereafter, the same opportunity opened up at Charles M. Cooke Limited, which now is the Cooke Foundation. So I persuaded them to hire Hawaiian Trust as their agent. We didn't do the office work at the time; it was just investment work. I kept the records for the charitable trusts and authored their annual reports. Later I went to Bishop Trust, which was another trust company, handling the McNerny Foundation, and the G.N. Wilcox Trust. I put out a quarterly report of the grants made by each of the foundations so each of them would know what the other was doing. We could avoid duplication and the trustees could see the trends. This was a sort of informal clearinghouse for grants. After I left Hawaiian Trust, I stayed on as secretary to the Atherton Family Foundation. So I've been continuously involved with that foundation for fifty years. Then when Frank C. Atherton, one of Juliette's original trustees, passed away, his son Ballard [Atherton] became a trustee.

Ballard and I were very close because of the *Star-Bulletin* activity. Then when Ballard died, Alexander Atherton was elected a director of the Foundation along with my Mother and representatives of the Charles Atherton Family. Meantime, I became the vice-president for business development at Hawaiian Trust, but I served the trust on the side. I also became secretary for the Samuel and Mary Castle Foundation and had very fascinating quarterly meetings with Harold Castle, Alfred Castle, and Northrup Castle. They were wonderful old gentlemen. I became very close to them, as a friend and assistant. So I've had this continuous charitable foundation activity. Finally when Mother passed away, I became a trustee.

After Alexander Atherton passed away, I took his place as president of the Foundation. It takes quite a bit of time but is very interesting. We have an evaluation program. (RM points to reports.) These are the reports from grantees that came in last quarter. Each one of us takes our turn reviewing the reports and gives a brief report to the other trustees as to what happened as a result of our grant. Evaluation is important. You can really develop a good picture of what's going on in the philanthropy field in Hawai'i.

I was named Philanthropist of the Year, two years ago. I've been active in helping the Hawai'i Chapter of the National Society of Fundraising Executives understand what foundations can and can't do. Atherton Family Foundation has sponsored two seminars on planned giving. We bring in experts from the Mainland so that all these, there are 200 now, development directors of the local charities can learn best practices. Then we unleash them upon the unsuspecting population to talk about perpetual charitable gifts.

I have served a wonderful six-year term as one of the directors of the National Council on Foundations and met some great foundation CEO's. The President of the David and Lucille Packard Foundation and the President of the W. K. Kellogg Foundation have encouraged their program staffs to support the Good Beginnings Alliance.

I was active, at the time I was at Hawaiian Trust, in the Hawaiian Foundation. After I left Hawaiian Trust they picked a young assistant vice-president named Don Mair, who took my position. After him, Jane Giddings Smith, carried on. Later Jane became the executive of the Hawaiian Foundation which became the Hawai'i Community Foundation. It had \$18 million at the time of reconstitution. The chairman of the Hawaiian Foundation, Bob Black, left the bulk of his estate, about \$80 million, by his will, to the Hawai'i Community Foundation.

After we bought Bishop Trust, I went to Doug Philpotts, president of Hawaiian Trust, and said, "Hey, look. We've got seventeen charitable foundations at Bishop Trust and you have the Hawaiian Foundation. Why don't we start a Hawai'i Community Foundation? We'll set it up so that if somebody [wanted] to use the grant maker services of the Hawai'i Community Foundation, they would have to have a trust at Bishop or Hawaiian." It proved to be a very useful business development program. We tried to get First Hawaiian Bank in at that time but Johnny Bellinger had an absolute thing about cooperating with the Bank of Hawai'i in any way, shape, or form. (WN chuckles.) When he passed away, Walter Dods brought the First Hawaiian Bank into the program. I persuaded Jim Gary, Chairman of Pacific Resources, Inc., to become the first independent president of the Hawai'i Community Foundation after we formed it. He served two years and then Sam Cooke, President of the Cooke Foundation came in. I could never be the head of the Hawai'i Community Foundation since I was president of one of the trustee trust companies.

Bob Black died about that time, leaving \$80 million to the Hawai'i Community Foundation. Suddenly the assets jumped from a \$20 million trust to a \$100 million trust; and now it's over \$250 million. It's grown fantastically. It's in good hands, with a good independent board. I was on the Community Foundation Board for six years, which is the maximum term. But I plan to continue on at the Atherton Family Foundation as long as my health is in good shape. I enjoy all that reading and talking and studying.

MK: I know that you're also involved with the Hawai'i Theatre Center.

RM: That was the third leg of my renaissance of downtown; to bring people downtown in the evenings. Remember, the first goal to make sure the new state capitol was downtown, the second goal was to remain the office center for business headquarters—to keep the business headquarters downtown, together with their lawyers and accountants. And third, we must bring people downtown for culture and history. So I was active in the Friends of 'Iolani Palace. My wife was active in the restoration of Ali'iōlani Hale. My first building activity was really to build the Mission Historical Library, behind the oldest frame building west of the Rockies on the Hawaiian Mission Children's Society grounds.

The [Hawai'i] Theatre was the third leg of the stool---to bring people downtown at night. A charismatic woman, Mary Bishop, tackled me head on and said, "You've got to finish what you've been doing for downtown." I got involved with the theater.

WN: How did that idea generate? To restore Hawai'i Theatre?

RM: A group of people . . .

(Telephone rings. Taping stops, then resumes.)

WN: Yeah, well the question was what was the impetus behind . . .

RM: Hawai'i Theatre.

WN: . . . the restoration of Hawai'i Theatre.

RM: A couple of developers were planning to tear it down and build a parking building there. Dr. Norman Goldstein and a whole group of people that wanted to have a movie museum featuring organ concerts got together. He made an offer to the Bishop Estate to buy it. They agreed. It was the first time they've sold an isolated piece of property, a commercial property. They sold it, for a very reasonable price, about \$2 million, for the land and building of the theater. He personally guaranteed the mortgage. This original group broke up because they couldn't agree what to do with it after the purchase. And then a dynamic pair, Ray[mond] and Claire Engle went to a meeting of the Society for Historical Theatres and met Mary Bishop, who had restored the Columbus Theater in Ohio.

By an interesting coincidence, I had given a talk on estate planning to a group in Columbus because of an estate planning organization that I was a member of, called "The Group." This was a group of attorneys that specialized in advanced estate planning and particularly defined benefit plans for professionals, which were very hot. We had seven hundred defined benefit plans with one local attorney who was a member of "The Group." Our mutual clients included doctors, dentists, architects, and engineers.

By the way, the political action arm of "The Group" was the Small Business Council of America. I am still a director of this influential group. In 1990, I was awarded their highest honor, the "Connie Murdoch Award." I am sure this was due to my relationship with Sparky.

So I was visiting Columbus to give this estate planning talk. I went jogging at 7 a.m. one morning along the banks of the river there and saw a whole bunch of workmen hard at work on a theater. I wandered inside this huge hall and it was the Columbus Theater, right then under restoration. I didn't think much about it and then all of a sudden at a party here in Honolulu, another mover and shaker, Henry Alexander, had a guest, Mary Bishop. She was introduced to me and she looked me in the eye and said, "You have got to get involved. In the restoration of the Hawai'i Theatre." So I got involved.

A lot of wonderful people helped. Larry Vogel, who was then the head of Duty Free Shoppers, had good relations with Joseph Souki and Mamoru Yamasaki [Hawai'i state legislators from Maui]. We got \$12 million from the legislature to start the ball rolling. We've now raised close to \$30 million for the theater. The inside is gorgeous. Our current campaign is for [\$]8.3 million and we have raised [\$]6.5 million at this date, bit by bit. I have taken on the personal challenge to call on wealthy individuals one-on-one and ask for \$50,000. It's a big struggle but that's my commitment. When the Hawai'i Theatre is finished, I can retire once again. Only 2.5 million more to raise. The Theatre will finish the last leg of the DIA [Downtown Improvement Association] vision to bring people downtown in the evening. This has really worked out. Indigo, Duc's Bistro, Palomino [restaurants], were started because of the Theatre and it's good.

MK: And how do you convince people to contribute to the various causes that you take up?



RM: Well, I try to get them involved in what we're trying to achieve. Some people like it because of the wonderful shows. Some people like it because of the glamour, some people like it because it contributes to downtown economic renaissance. We received [\$]500,000 from the Harold Castle Foundation for the outside. But that was to help revitalize downtown. So you find out what that person might [support]—what is their hot button and try and make them see how the theater can help them do that. It's listening to the person to find out from him. We have a marvelous friend, with whom I will have lunch tomorrow, who has given us a million dollars.

WN: Does your background in trust help in this?

RM: Absolutely. They all tie together. The gentleman was a very good client at Bishop Trust so we had a long relationship.

Anyway, I try not to get involved with anything that doesn't tie in with the programs that I am supporting.

WN: Mm hmm.

MK: Mm hmm. Yeah, it's all interrelated.

RM: The final crusade I'm on is for the Good Beginnings Alliance. That is a statewide program to advance early childhood education and care. My interest came because of my two hundred ladies at American Trust. Most of them had little babies. We tried all kinds of ways to help out. We had flextime, we had shared jobs, but basic day-care was terribly important for them. At one time, we tried to get a day-care center for the toddlers in a spare room at our office. But the State Department of Health wouldn't allow it because it was not on the ground floor and it didn't have toilets ten inches off the floor. Ridiculous things like that. At any rate, we subsidized day-care at the Bamboo Shoots Day-Care project because we wanted to keep competent people happy in order for the company to be successful. So I got involved from a business point of view in the day-care situation.

Then I became chairman of the education committee of the Hawai'i Community Foundation. I was on the board, representing Bishop Trust Company. Bob Black died and left \$80 million to the Foundation. One of the four named beneficiaries of his bequest was private schools. That worked out to be \$250,000 a year and I figured we should do a demonstration program in preschools. Those are "private schools." So we did. We had a whole series of preschools. One in Kohala, one in Hāna, two on O'ahu. Each one is a separate interesting story that is included in my paper on the Good Beginnings Alliance. (See Appendix.) Well I've learned a lot. The Good Beginnings Alliance has gone from a strictly educational focus to include family support and health support and safety support. All of Hawai'i's children "will be safe, healthy, and ready to succeed in school." I really believe that if we're ever going to improve the raw material for the State Department of Education, we must start right by training parents to be better parents. They should read to their kids, tenderly hold them, love them and stop beating them on the head.

WN: Anything in your early life inspired this?

RM: Mother and Grandmother were both on the board of the Free Kindergarten, and Children's Aid Association. I remember delivering Christmas presents to various preschool heads for my Grandmother. That was just little bit. It wasn't really until American Trust when I discovered the need for [early childhood education]. And I learned that day-care is really education. Too many parents put children in front of the TV for day care. That's terrible. Developmentally appropriate



education can be carried out very well if we give incentives. Many day-care providers are very poor people who take in four or five kids to supplement their income. Often they have very little training. What we want to do is give them incentives to take courses, get their teaching certificate, and find help in getting support so they can afford to provide a quality experience.

WN: To close our interview, I'd like to have you think about your lifetime of activities and share your reflections on the past.

RM: All this activity, "and to what purpose?"

One of my mentors gave me a profound thought. "I never worry about the sins of my commission. I made the best choice, based on the facts that I knew at that time. What I worry over is the sins of my omission."

One of the turning points in my business career occurred in early 1964. The State Capitol was under construction and the Financial Plaza of the Pacific project was underway. I had secured options to buy or lease every property in the King Street block on the 'Ewa side of the Fort Street Mall. We planned to build a downtown hotel in the second phase of the project.

And then three job offers arrived within a few weeks of each other. Peat Marwick and Mitchell asked me to come to work as director of a new department to render advice on retirement plans. My distant cousin, Wade Sheehan, asked me to come to work at Alexander & Baldwin as number two in their large insurance department. And Harold Eichelberger asked me to move to Amfac as Corporate Vice President for Planning. Looking back, I made the right decision, although the other offers had great upside potential.

Is there a "divine providence that shapes our ways, rough hew them how we will?" Although not a frequent churchgoer, I am a religious man. I heard Bishop Desmond Tutu say that God doesn't make miracles. He empowers us to see an opportunity or a coincidence and understand how we can make a difference. I have spent many sleepless nights, tossing over in my mind various possibilities for change or improvement in the circumstances that confronted me at the time.

I inherited good genes for health and long life from my parents. They taught me to be optimistic and curious about all things. I married a fabulous woman with great energy and a boatload of common sense. She has been a great partner in our activities, a great and patient mother, and a loving and caring grandmother.

With modest financial inheritances and great timing, we have been able to rise with the tide of economic growth in Hawai'i since statehood. This financial security has enabled me to follow my visions to spread the ideal of profit sharing, to complete the renaissance of Downtown Honolulu, and to build a better future for all of the young children of Hawai'i through the Good Beginnings Alliance.

It has been a wonderful life in the wonderful and beautiful state of Hawai'i. I thank the Lord many times a day!

END OF INTERVIEW

**An Oral History  
of  
Robert Richards Midkiff**

**Center for Oral History  
Social Science Research Institute  
University of Hawai'i at Mānoa**

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